

# Energy Policies of the Czech Republic 2010 In-depth Review



International  
Energy Agency

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# Review Background

- IEA conducts regular reviews – every 4-5 years
- Last Czech review was in 2005
- Based on the IEA's Shared Goals and three pillars:
  - Energy security
  - Economic growth
  - Environmental sustainability
- Peer review by experts from other IEA member countries (France, Germany, Norway, Sweden, Turkey, UK, ) along with EC, NEA and IEA
- Report based on Review Team visit in November 2009 and research in December 2009 - June 2010

- **Improving policy framework**

- Draft State Energy Concept
- Draft Climate Protection Policy

- **Enhanced energy security**

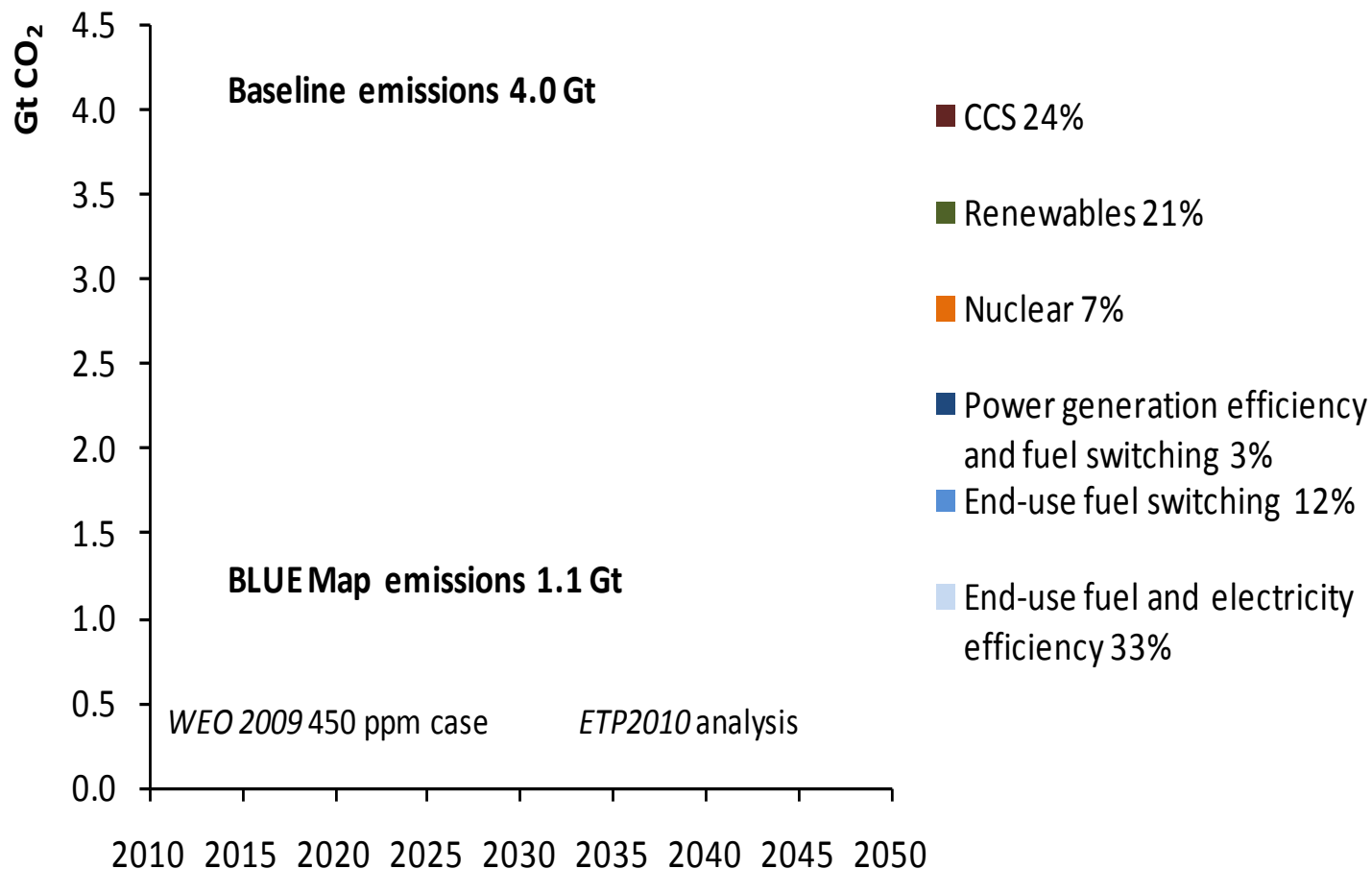
- No disruption of gas supplies to essential customers in January 2009; reversibility

- **Market reform**

- Liberalisation of gas and electricity markets
- Prague Energy Exchange launched in 2007

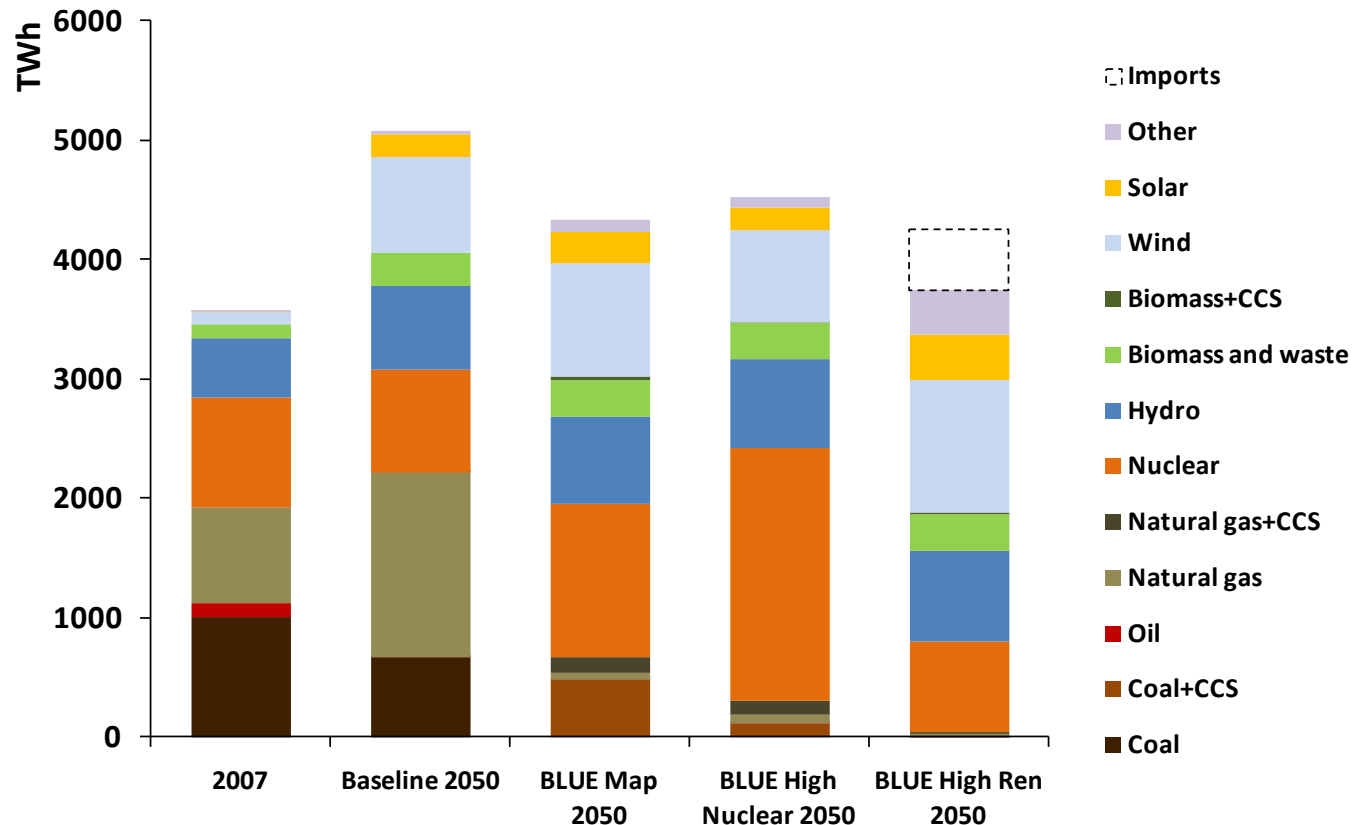
# A Sustainable Energy Future:

## Emissions Reductions in OECD Europe to 2050



*Improved energy efficiency in the end-use sectors in OECD Europe accounts for 33% of the total emissions reduction in 2050.*

# Decarbonisation of power generation in OECD Europe

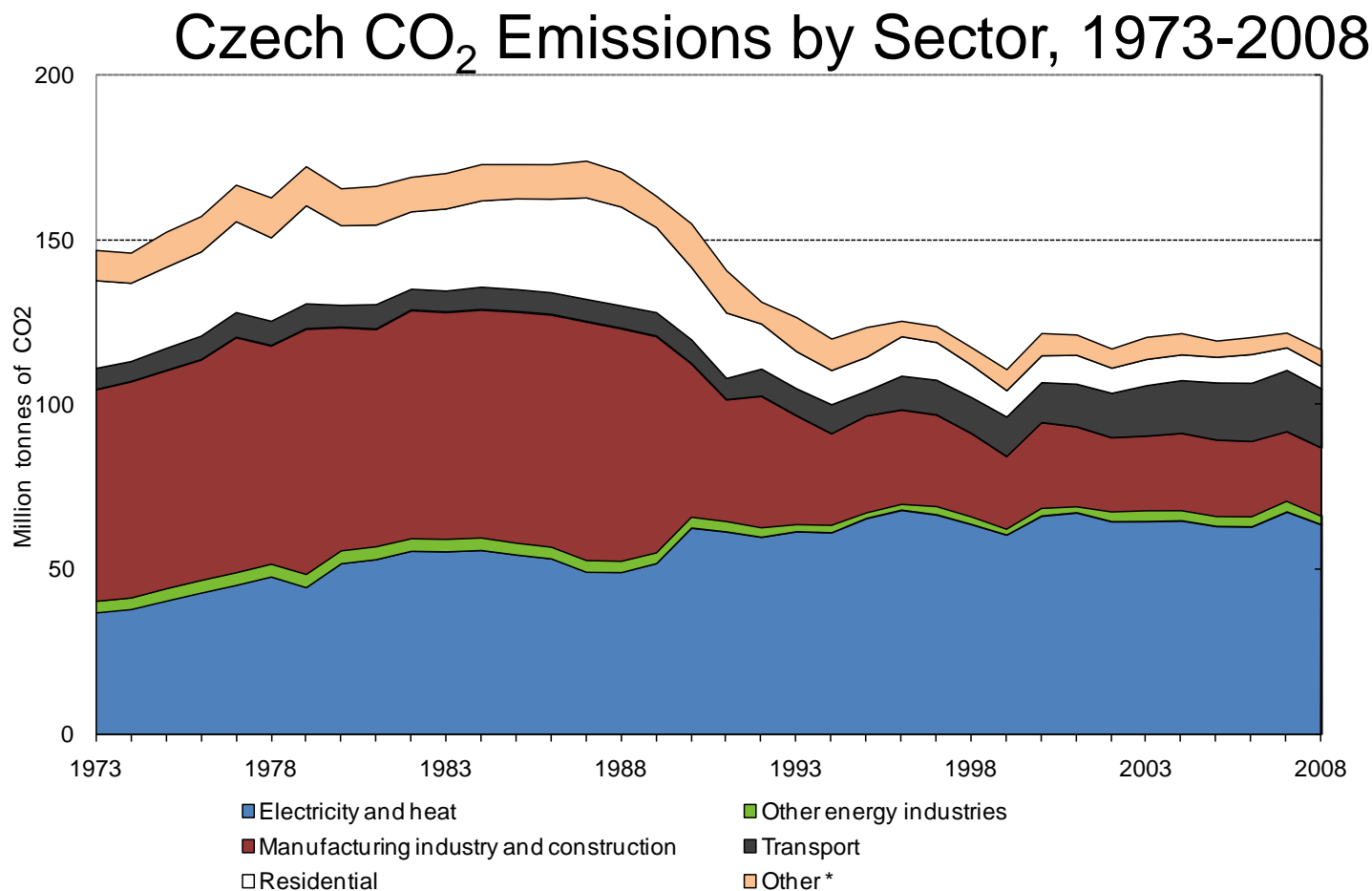


*A mix of nuclear, renewables and fossil-fuels with CCS will be needed to decarbonise the electricity sector.*

- **Draft State Energy Concept**

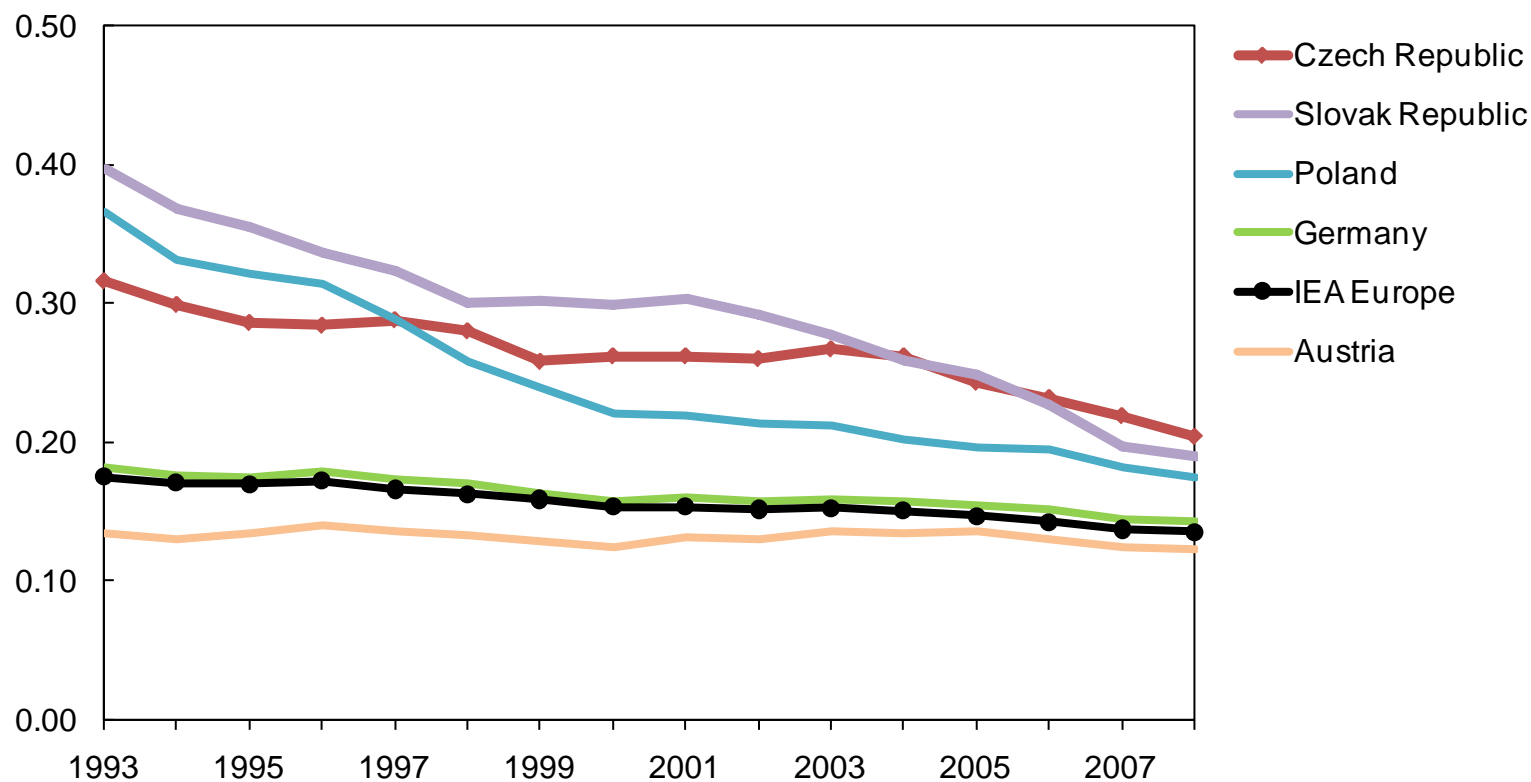
- preferential use of domestic resources
  - *coal, uranium, renewables*
- focus on supply side
  - *third largest electricity exporter in the EU*
- need for further integration with climate change objectives
- scenarios, greater consultation, analysis of costs and benefits

# Combating Climate Change



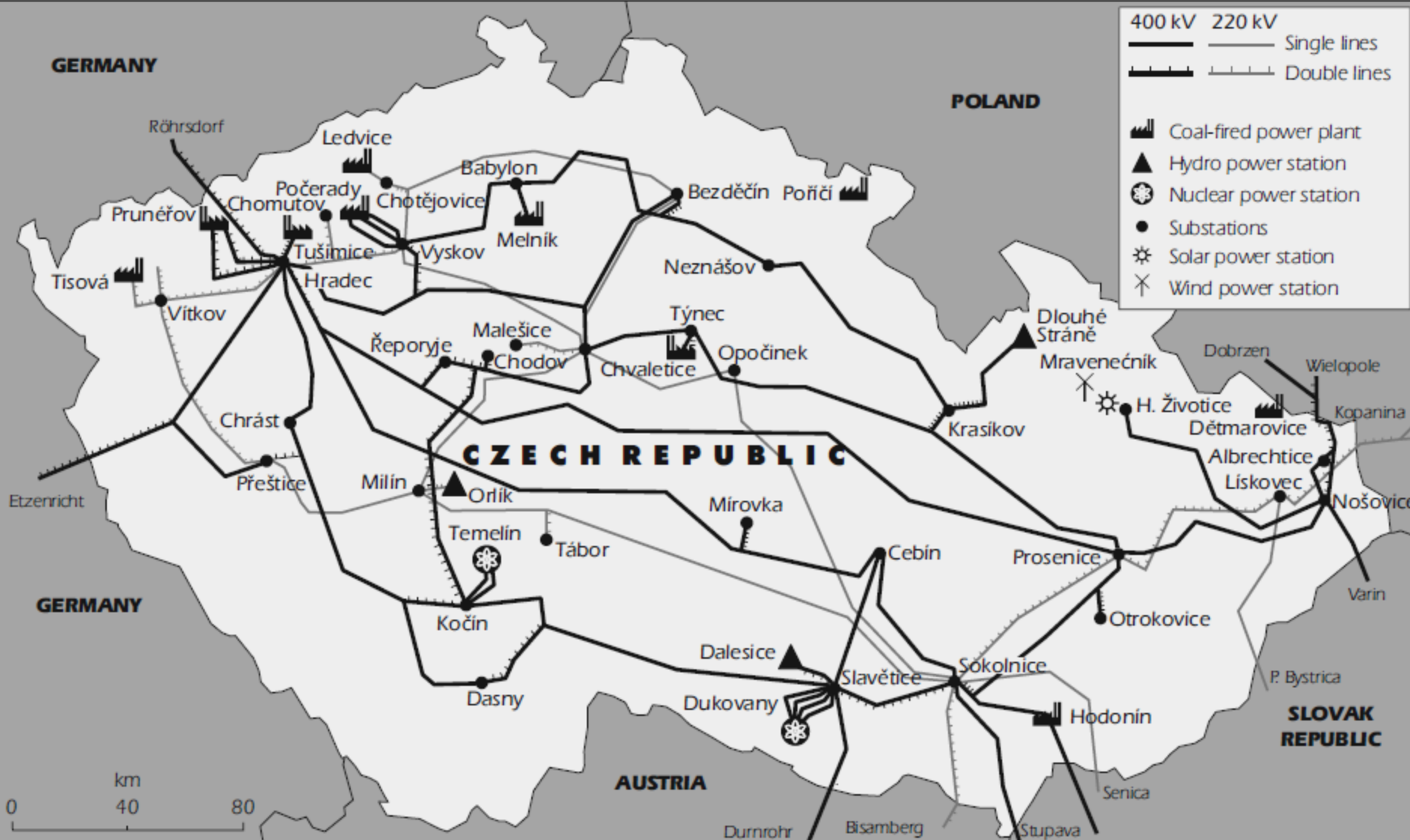
*Industry emissions have fallen dramatically,  
but transport emissions are rising.*

## Energy Intensity in the Czech Republic and Other Countries (toe per thousand USD at 2000 prices and purchasing power parities)



*Energy efficiency is crucial in efforts to reduce energy consumption and address climate change, while also providing benefits for energy security.*

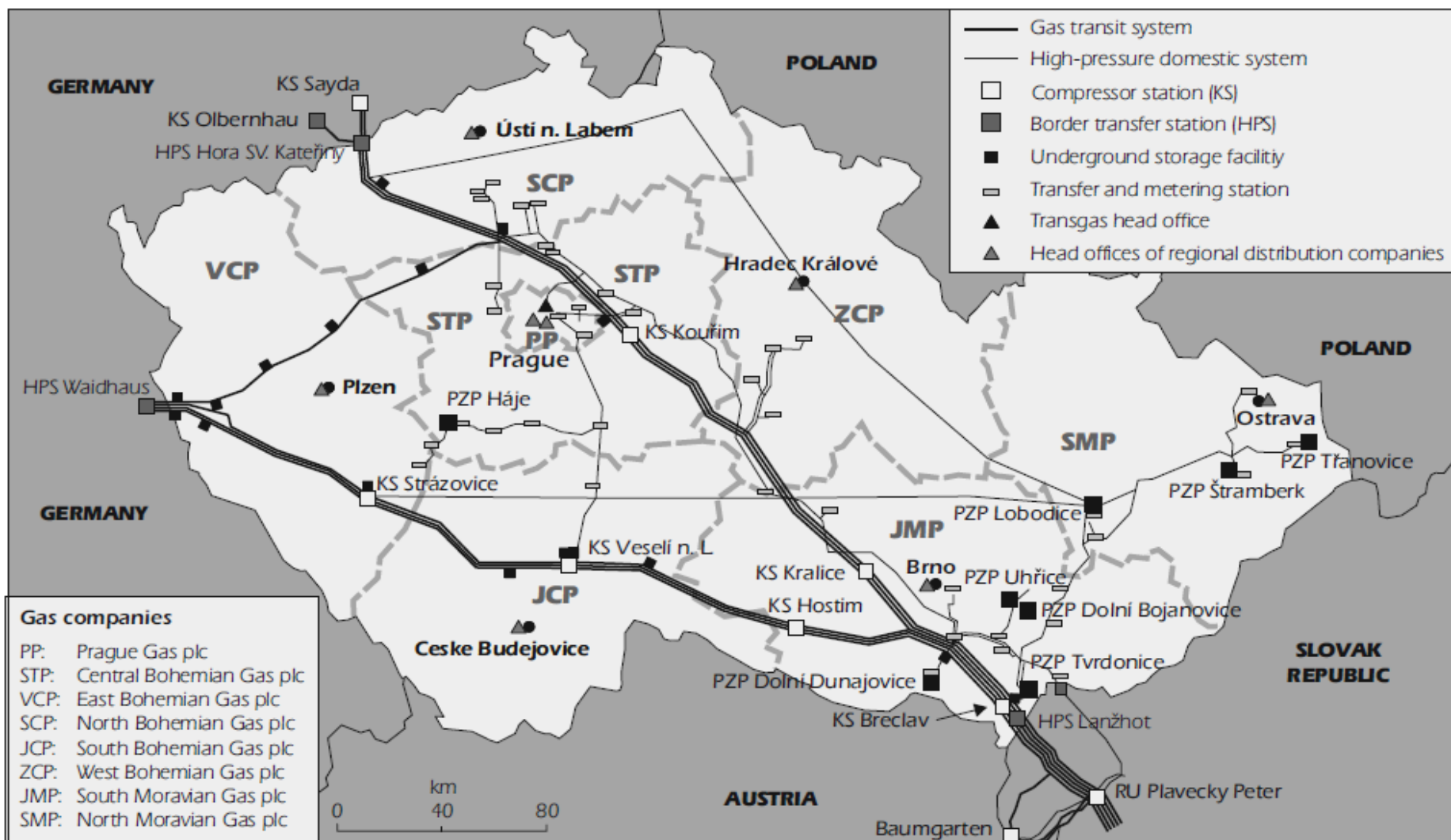
# Role on the Regional Electricity Market...



The boundaries and names shown and the designations used on maps included in this publication do not imply official endorsement or acceptance by the IEA.

*Cooperation between governments and TSOs is key.*

# ... and Regional Gas Market



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*Effective policy framework is needed to attract investments in cross-border infrastructure.*

# Key Recommendations (I)

The Government of the Czech Republic should:

*Build on the draft State Energy Concept, Climate Protection Policy and report of the Independent Energy Expert Commission to develop coherent energy and climate strategies including a vision to 2050 consistent with the latest EU policies in these areas, and consider different scenarios to assess in particular the economic and environmental sustainability of the proposals*

# Key Recommendations (II)

The Government of the Czech Republic should :

*Develop an integrated strategy to improve energy efficiency, addressing both primary and final energy use, particularly in the buildings and transport sectors, and improving the co-ordination and cost-effectiveness of different energy efficiency schemes; and identify specific policy measures to achieve particular energy-saving targets, the responsible institutions, resource allocations and timelines for implementation.*

# Key Recommendations (III)

The Government of the Czech Republic should:

*Assess the economic and social costs and benefits of enhancing energy security through the predominant use of domestic energy resources and, if necessary, consider low-carbon energy sources, such as gas, in devising a long-term strategy to reduce emissions*

# Key Recommendations (IV)

The Government of the Czech Republic should :

- *Create an effective policy framework to attract investments in cross-border infrastructure in both electricity and gas sectors.*
- *Support co-operation among governments and transmission system operators at the regional level, in order to ensure that growth in electricity supply is compatible with the regional supply and demand balance and strengthen co-operation with neighbouring countries to develop a functioning regional electricity market.*