



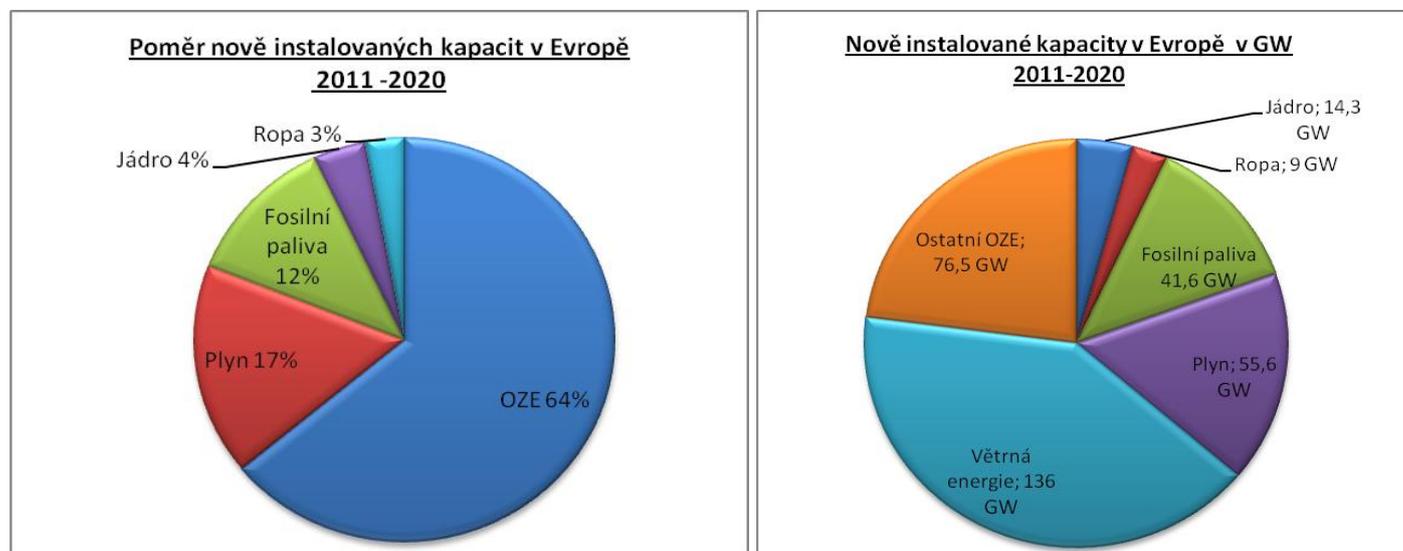
Introduction

This edition of CSVE Newsletter is again dominated by two groups of themes related to wind energy industry: optimistic news from abroad and not too optimistic news about the legislation development in this country. Let's start with the first group:

The European Union published the new energy scenario "EU Energy Trend 2030", in which it expects 333 GW of newly installed output of electric energy sources in the period 2011 – 2020; from which the sources using wind should reach 136 GW, which is 41% from all new installations.

According to this scenario, in Europe in 2010 14% electricity will be produced from wind which will ensure electricity for 120 million of European households! Today, circa 80GW is installed in wind in Europe, which is roughly 5% of all production capacities. The presumptions of the European Commission have almost doubled comparing to 2008.

Following charts show the estimates of volumes of newly installed output of particular energy sources expected by the European Commission for the next decade:



Source: European Commission, Graphic by EWEA

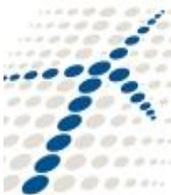
For details see: http://ec.europa.eu/energy/observatory/trends_2030/doc/trends_to_2030_update_2009.pdf
http://www.ewea.org/fileadmin/ewea_documents/documents/publications/reports/Pure_Power_Full_Report.pdf

We would also like to invite you for a conference organized by the European Wind Energy Association EWEA and introduce a report from the wind energy trade fair held in Husum, Germany.

The other group of news from the past period is represented by information on the ongoing legislative campaign against renewable energy sources. As is shown in the last paragraph of this Newsletter, CSVE has not dropped its enlightenment activities in this period.



Invitation for the GRID 2010 conference



“GRID 2010 – the backbone of Europe’s energy future” – it is the title of a two-day conference and exhibition organized by the European Wind Energy Association (EWEA) between November 23 and 24 in Berlin. You get more information from this link:

[http://www.ewea.org/index.php?id=60&no_cache=1&tx_ttnews\[tt_news\]=1864&tx_ttnews\[backPid\]=1&cHash=1e4fc8f979f5d4e8db40d09c2494dbb4](http://www.ewea.org/index.php?id=60&no_cache=1&tx_ttnews[tt_news]=1864&tx_ttnews[backPid]=1&cHash=1e4fc8f979f5d4e8db40d09c2494dbb4)

Wind energy trade fair in Husum

This September, after a two-year interval, the most significant event devoted to wind energy again took place in the traditional trade fair venue – Husum in North Germany. Third week in September this small town and its fairground got ready for 33 000 visitors from 80 countries of the world and 971 exhibitors from 28 countries who are involved in the global wind energy field. In connection to the output of circa 37 500 MW installed worldwide last year it is necessary to realize that the output is worth about CZK 1,5 trillion and no wonder that not only world’s industry and energy giants but also various sub-contractors have been trying to get involved in this continuously expanding field for several years.

The Czech Republic was traditionally represented by Pilsen Steel as a producer of rotor axes and newly TES Vsetín as a producer of wind turbine generator. The group Wikov had a nice exposition as a producer of Czech 2 MW wind turbines and as an expanding supplier of gearboxes. The Czech group also included Singing Rock, a Czech producer of ropes and suspension gear.

This trade fair was great for its friendly atmosphere which you could encounter in pavilions, where the well-known competing companies have stands virtually next to each other. Enercon was next to Vestas and Nordex together with REpower. This lay-out made a strong impression that although the big and medium producers are competing, when the market is expanding so quickly like in the case of wind energy, there is enough space not only for all the strongest players but also for other outstanding producers that have their stands there - GE, Gamesa, Siemens, Fuhrländer, Areva (Multibrid), WinWind, Mitsubishi but perhaps even the revived de Wind.

Although Husum is main global wind energy fairground, the representation of Chinese and American producers was smaller which demonstrated the current tri-polarity with main markets in the EU, USA and China; the non-European companies do not try to expand too much to relatively occupied European market, especially if they cannot manage to satisfy their local demands. The exception may be a big stand of Vensys-Goldwin that has clearly shown who stands behind the technology of the second biggest Chinese producer. (Nordex technology is behind Sinovel).

A specialty of this trade fair, comparing to the past, was the big concentration of strong wind park owners - Eon, RWE, Vattenfall and rather small space for pioneer developers that started the field in Germany and Denmark in the past.

This year there were less outdoor attractions (apart from a helicopter) so the longest queues waited to enter the virtual machine room of new Vestas V 112 which was, together with V 100 the main attraction of this Danish producer; these two wind turbines may be considered the main Vestas’ innovations this year.

In Husum, a visitor got the impression that wind energy industry is divided into further categories apart from machines designed for high-speed wind. Beside types designed for offshore use, the offer of wind turbines for low-speed wind has rather grown, which will be suitable even for the conditions in the Czech Republic. Beside the mentioned Vestas types it also includes Enercon E 101 with 3 MW output and a whole range of types from different producers with output between 2 -2,5 MW with rotor diameter 92 – 101 m. Two REpower types are also significant innovations: M104 with output 3,4MW and M114 with output 3,2MW.



In general, this friendly trade fair again presented its global character and perfectly met its main objectives – to inform participants about innovations, make contacts and often even make contracts in a nice, though sometimes a bit overcrowded, environment. The next trade fair will be held in September 18 - 22, 2012, but the question appears already now if all participants can fit in the rather small space which Husum offers. I, in person, hope that yes, because despite the fact that the place is overcrowded, the friendly atmosphere cannot be transferred elsewhere. In Husum the wind is really at home.

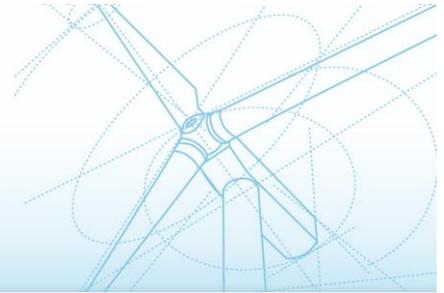
Mgr. Jiří Příklad

Statistics

Wind energy installation and production in the Czech Republic according to the data by the Energy Regulatory Office.

Months	Czech Republic	
	Production (MWh)	Output (MW)
I-09	15 696,00	148
II-09	29 182,00	148
III-09	35 795,00	148
IV-09	18 384,00	148
V-09	20 601,00	156
VI-09	24 167,00	178
VII-09	20 397,00	178
VIII-09	17 110,30	178
IX-09	18 698,90	178
X-09	33 938,50	178
XI-09	32 002,80	178
XII-09	23 915,50	192
I-10	12 454,40	192
II-10	23 063,20	192
III-10	41 416,30	192
IV-10	24 058,40	192
V-10	30 288,70	192
VI.10	25 928,90	196
VII.10	17 103,80	196

Source: Energy Regulatory Office



Legislation

Fast legislative campaign against renewable energy sources

In the period, we want to review now, legislative campaign against renewable energy sources continued.

The bill of the new act on supported energy sources has not been officially changed in the period, the situation about which we informed in the last issue of Newsletter is still applicable; namely that the government in its resolution from August 25 instructed the Ministries of Industry and Commerce, Agriculture, the Environment and for Regional Development to discuss the proposal again.

Instead the government promptly discussed and approved at least a small amendment to Act no. 180/2005 Sb. on the support of use of renewable sources. The Ministry of Industry and Commerce prepared this small amendment based on the task given at the meeting of economic ministers on September 9, 2010. On Monday, September 13, this document was published within the system of prepared eKLEP legislation, with a commentary that it is not handed over to ministries for commentary proceeding but will be directly included in the agenda of the next government meeting. The proposal has not been discussed by the Government Legislative Committee, it was only accompanied by the statement of the chairman of the Government Legislative Committee from September 14 and the government approved it at its meeting on Wednesday, September 15 and at the same time recommended the Chamber of Deputies to approve the proposal already in the first reading. In the Chamber of Deputies this proposed amendment of Act no. 180/2005 is registered as Parliamentary Print no. 97 and as of the closing date for this edition of Newspaper it waited to be discussed by the Economic Committee of the Chamber of Deputies.

This amendment should introduce 2 substantial changes in the existing system of support of electricity production from renewable sources:

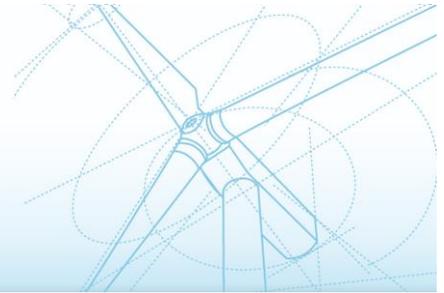
1. The support will further cover only production units connected directly or indirectly to the grid, not the isolated production units. If an isolated production unit wants to keep its right for support, it must be connected to the grid within 12 months from the date the amendment comes in force (i.e. by December 31, 2011 as expected). The amount of support will be specified according to the date of connection to the grid.
2. In case of photovoltaic plants the support will continue to include only production units up to 30kWp located on a roof or wall of a building registered in the Land Register. This restriction should come in force on March 1, 2011, whereas the units put into operation before the date will keep the right for support under existing legal regulations.

The amendment to Regulation no. 475/2005 Sb., implementing some provisions of Act no. 180/2005 Sb. is also prepared. This regulation among others adjusts the technological and economic parameters of particular sources of renewable energy on which the Energy Regulatory Office bases the redemption price and green bonuses. Energy Regulatory Office introduced a modification of these parameters for photovoltaic energy plants to be commented by the ministries. The current division into two categories up/over 30 kWp should be changed into three, namely up to 30 kWp, 30-100 and over 100 kWp. The specific investment costs should be modified in all categories, e.g. in the category over 100 kWp from the current CZK 99.000 to CZK 55.000 / 1 kWp.

The proposed changes of the Regulation shall not affect wind energy industry.

The reduction of support of renewable energy sources will also include financial reforms which were discussed by the government on its meeting on September 22 in connection to the approval to state budget for 2011.

We refer especially to the proposed amendment to Act no. 586/1992 Sb., on income taxes. As follows from the explanatory report, *the proposed changes are aimed to cancel the tax exemption on incomes from the operation of environment-friendly sources and equipment with effect from January 1, 2011. The tax payers who put environment-friendly equipment and sources into operation on December 31, 2010 at latest, shall be able to apply tax-exemption on incomes according to existing legislation. It is also suggested to cancel the advantage for legal entities when the taxpayer has the option not to start tax depreciation in the period of tax exemption on incomes. The proposed modifications are therefore suggested to introduce the duty to apply tax depreciation on tangible assets on the maximum level and without any interruption during the period of exemption for both taxpayers who already apply the tax exemption and the taxpayers who put the assets into use by December 31, 2010 at latest.*

**National Action Plan concealed**

In a short commentary, we would like to return to the approved National Action Plan of the Czech Republic for renewable energy sources. The Ministry of Industry and Commerce was very secretive about its creation. Despite the fact that the model for NAP issued in the form of a decision of the European Commission expects that more institutions will participate, including for example local governments or environmental associations, in the case of the Czech Republic the preparations of NAP were kept in secret; the Ministry of the Environment which is also partly in charge of renewable energy source did not participated.

After the NAP was approved by the government on August 25, the media were full of information that the Czech Republic finally has its timetable for renewable sources. However there is a problem:

Have you tried to look up this "time table" in official sources to be able to use it?

It seems that the website of the European Commission, where so-called Platform for Transparency was established according to Directive 2009/28/EC, was the only official source in the second half of September: http://ec.europa.eu/energy/renewables/transparency_platform/transparency_platform_en.htm

In future, the reports of member states on the fulfillment of the directive as well as reports by the Commission of the European Parliament and other documents should be found at this website.

Amendment of the Energy Act, or how comments are accepted

In Newsletter 7/2010 we informed about the amendment to the Energy Act (Act no. 458/2000 Sb.). Despite the fact that CSVE is not an official body for comments, we have tried to send comments to the Ministry of Industry and Commerce concerning the modification of authorization for the construction of the energy production plants for which there should be no entitlement according to the amendment, which is in conflict with the implemented Directive 2009/72/EC about common rules for national electricity market.

Our comments were not reflected at all; nevertheless their justification is confirmed by the fact that the omission of the relevant paragraph (i.e. Section 32a par. 3) due to the conflict with the European legislation was required also by the Office of the Government, the department of compliance. In the relevant material you can find the note "Accepted" in the column "Settlement" and in the modified proposal of the act after all comments were settled Section 32a par 3 is really omitted. However, it is enough to read through the whole act and you find out that exactly the same text is included in Section 30a par 3 in the modified proposal; the whole issue of authorization has been moved from Sections 32a – 32d to Sections 30a – 30d. Is this the way the Ministry of Industry and Commerce imagines accepting comments?

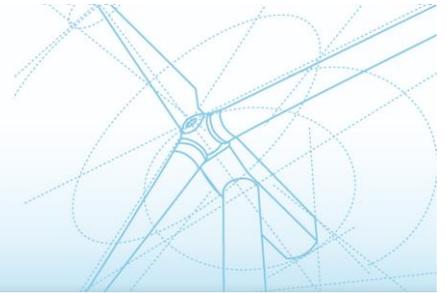
From regional life

The deputies for the Karlovy Vary region approved the Principles of land development in the Karlovy Vary region (ZÚR) at its meeting on September 16. The decision on the objections against the proposal of ZÚR as well as the updated text of ZÚR has not been yet published, it will happen probably only after the general measure through which ZÚR is published is declared.

In the Pilsen Region a partly "reverse" process happened – the Supreme Administration Court issued a self-executing judgment on September 15, canceling the ZÚR for the Pilsen Region which limited the location of wind turbines on the territory of the region and entirely restricted the location of wind farms with more than 4 turbines. The verdict was published on the website of the Supreme Administration Court www.nss.cz.

Although the Supreme Administration Court does not impeach the power of regions to protect the character of landscape through restrictions in the principles for land development, it stresses at the same time that the protection should always be reasonable and especially justified in relation to protected values and the threatening intervention.

It is the second case when the Supreme Administration Court agreed with the municipalities which challenged some parts of ZÚR restricting the construction of wind turbines (we remind the decision concerning the ZÚR of the Vysočina region from July 2009); in both cases the municipalities were represented by the legal company Škola a partneři, s.r.o.



Organized events

Competition of wind turbine models

Green Energy Competition II will take place at the Matyáš Lerch Grammar School in Brno during the autumn this year. Led by Mgr. Kubera and Mgr. Beneš, the school will organize a competition of solar-powered cars in October and in November there will be a competition of wind turbine models.

Czech Wind Energy Association is a partner of the competition with the task consisting in the theoretical preparation of students. On November 3 we will organize a seminar on wind turbines for students where a CSVE lecturer will give basic information on wind turbines and principles which should be observed when designing wind turbine models.

Green Energy Competition II is already the second year of competition for secondary school students focused on renewable energy sources. It can be organized thanks to the activity of the grammar school and the support from the Green Energy Fund. Every student from a Brno secondary and elementary school can participate. He or she just must not be afraid to “knock up” something and has to devote some time to the development of his or her prototype.

If you want to learn more, visit the website:

<http://www.gml.cz/projekty/gec2/index.php>