



PPA market in Croatia

Renewable Energy Sources of Croatia

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PPAs landscape



- three PPA contracts have been signed in Croatia in 2023 totalling over 100 MW
- before 2023 PPAs was signed for a period of two to three years, mainly for existing RES projects
- the first RE-Source conference on PPAs in Croatia was held in Zagreb in March 2023
- financing of new RES projects is done with long-term PPAs (period of 5 to 10 years)





PPA landscape



- PPAs between renewable producers and buyers are handled mostly through financial PPAs
- for self-owned-off site corporates both have to obtain production and electricity supply licenses
- project development is complicated, time-consuming and expensive





PPA obstacles



- there is not much appetite among energy suppliers to facilitate sleeved PPAs
- Croatian TSO introduced restrictions on electricity transmission where investors have no certainty when and how much of the electricity produced from new RES projects will be delivered into the grid
- TSO retains the right to disconnect renewable energy facilities from the grid at any time - this approach is arbitrary
- Croatian TSO does not allow the battery storage facilities to supply electricity back to the grid, so developers cannot offer to balance the grid with batteries





PPA obstacles



- CROPEX futures have been introduced on the European Energy Exchange (EEX); however, liquidity is very low
- limited liquidity of CROPEX is forcing long-term hedging to be done in other foreign energy exchanges which creates additional risk/cost for all parties
- the balancing market is liberalized, but it is dominated by the public utility, and reserve power for balancing purposes is not cost-reflective





Future outlook



- expected 200 MW new PPAs next year
- expression of interest for over 6000 MW of RES projects





Thank you for your attention

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