

WHAT DOES THE LEX OZE III AMENDMENT BRING? KEY CHANGES OVERVIEW

On March 4, 2025, the Chamber of Deputies approved an amendment to Act No. 458/2000 Coll., the Energy Act, known as LEX OZE III. This amendment primarily focuses on energy storage, aggregation, and flexibility – key milestones in the modernization of the energy sector. However, the most attention-grabbing change is the controversial adjustment of support conditions for certain photovoltaic projects. Below is a summary of the key changes introduced by the amendment.

STRICTER CONDITIONS FOR PHOTOVOLTAIC (PV) POWER PLANTS

One of the most debated aspects of the amendment is the revision of financial support conditions for PV power plants that were commissioned during the solar boom between 2009 and 2010, with an installed capacity of 30 kW or more. The amendment reevaluates guaranteed feed-in tariffs, introduces a review of the adequacy of financial support, and implements individual profitability assessments. In some cases, this will effectively lead to a reduction in financial support based on investment returns achieved. The government justifies this step as an adjustment to reflect current economic conditions and to eliminate excessive state subsidies. The exact criteria for profitability reviews remain unclear, with a government decree expected soon to clarify the details.

STREAMLINED ADMINISTRATION FOR NEW RENEWABLE ENERGY SOURCES

The amendment simplifies permitting processes for certain types of renewable energy sources. It establishes the possibility of installing small PV plants with a capacity of up to 100 kW without requiring an Energy Regulatory Office (ERÚ) license or a building permit (currently, the limit is 50 kW). Additionally, it facilitates the permitting process for battery storage system installations.

NEW RULES FOR ENERGY STORAGE

For the first time, the amendment explicitly defines legal provisions for battery storage operations, addressing a long-standing legal gap in this area. A new regulatory framework has been introduced for the operation of stand-alone large-capacity battery systems, which will enable more efficient storage of surplus electricity and its subsequent use during peak demand periods. These measures will contribute to grid stability and support the integration of renewable energy sources.

The LEX OZE III amendment allows for the independent operation of stand-alone batteries, which can function as separate energy sources connected to the grid without being tied to other sources such as solar or wind power plants. Additionally, the amendment introduces electricity storage licenses issued by the Energy Regulatory Office and specifies when a license is not required. A six-month

Key points

- **Stricter conditions for PV power plants:** changes to financial support for PV plants commissioned between 2009–2010 with a capacity over 30 kW.
- **Simplified administration:** increase in the capacity limit for small PV plants exempt from licensing and building permits from 50 kW to 100 kW.
- **Energy storage:** introduction of a legal framework for operating large-capacity battery systems, including the independent operation of stand-alone batteries connected to the grid.
- **Grid flexibility:** implementation of dynamic electricity consumption and supply management based on market conditions, along with support for aggregators to enable electricity sharing and flexibility services.

transition period is granted after the amendment takes effect for existing energy storage operators impacted by the new licensing requirement. The regulatory changes also aim to enhance the integration of energy storage into existing renewable energy projects and improve flexibility in managing electricity generation and consumption.

GRID FLEXIBILITY AND ELECTRICITY PRODUCTION AGGREGATION

The amendment introduces the concept of flexibility, enabling dynamic management of electricity consumption and supply based on real-time market conditions. This will help reduce peak demand and distribute electricity consumption more evenly throughout the day. New rules for aggregation will allow more efficient utilization and sharing of electricity through so-called aggregators, who will no longer be required to be electricity suppliers themselves. This change will benefit flexibility service providers, who will now have opportunities for financial compensation—either directly or through aggregators.

CONCLUSION

The LEX OZE III amendment represents a significant reform in energy legislation. On one hand, it supports the development of renewable energy in the Czech Republic, strengthens community energy projects, and enhances grid stability. On the other hand, it imposes stricter conditions for large photovoltaic projects that have been in operation since 2009–2010. Additionally, the amendment introduces so-called capacity mechanisms that could encourage the construction of new combined-cycle gas power plants. This is just the first step, requiring further legislative measures to define the conditions for these mechanisms. Later this year, the adoption of LEX Plyn (Gas) is expected, aimed at accelerating the permitting and construction of combined-cycle gas power plants over 100 MW to facilitate the transition from coal to gas.

We will discuss the LEX OZE III amendment at our seminar on May 13, 2025. If you are interested in attending, please feel free to contact us.

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