

Impact of the RRF on Czechia's sustainable transition

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Czechia's Recovery and Resilience Plan (RRP) contains ambitious **reforms** coupled with **€8.75 billion in EU funding**, designed to build a more sustainable future for the country. The RRP is driving Czechia's transition away from polluting energy sources like coal toward cleaner alternatives such as wind and solar power. This shift has a **direct impact on citizens, by lowering the electricity prices, lowering transport cost** in addition to being essential for the Czech and European energy **autonomy, competitiveness** and the **environment**.

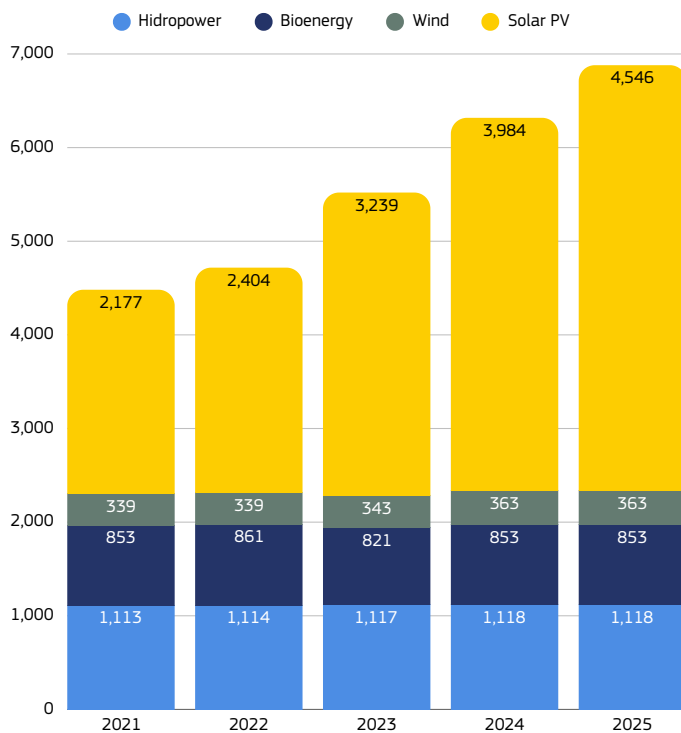
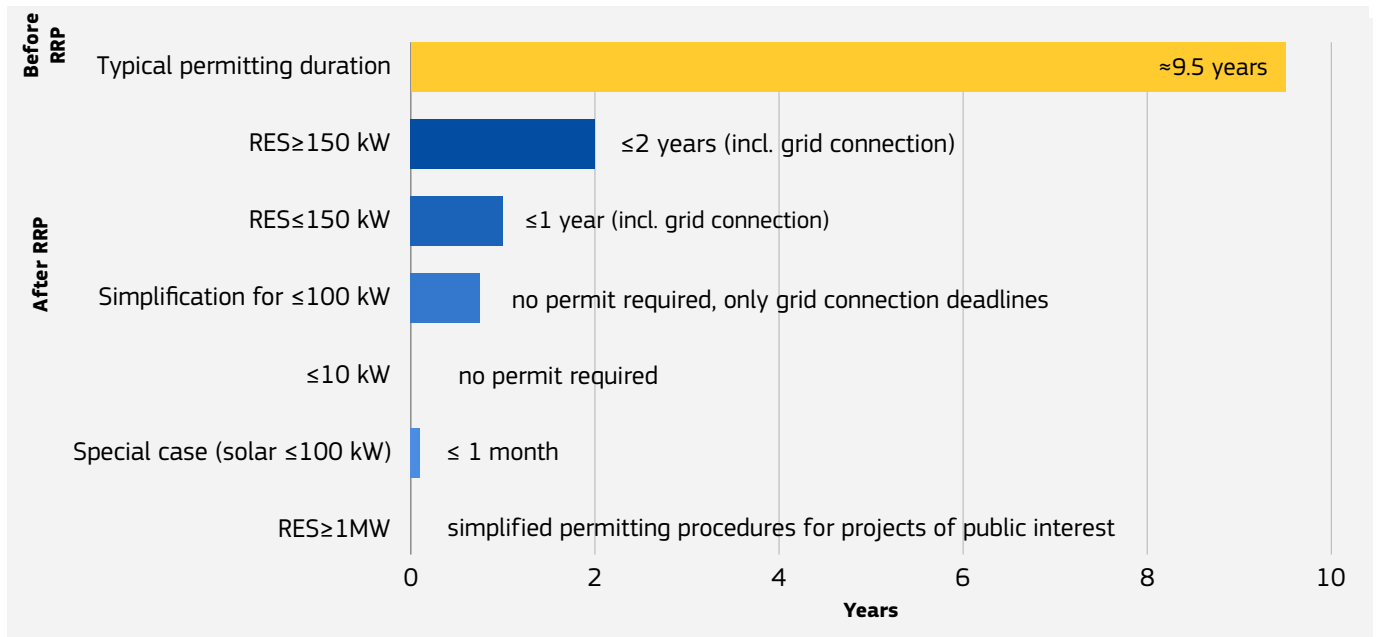
The RRP reformed the power market to reduce electricity costs

The RRP is a combination of **reforms** to streamline permitting, improve grid access and transparency, and enhance system flexibility with **targeted investments** in expanding renewable energy capacity and modernising the grid. The common objective is to ensure that the energy transition is **affordable for all citizens** and to support Czechia **in making the shift to a low carbon electricity system**.

In Czechia, coal still accounts for a high share of the country's electricity generation and **domestic electricity prices remain set by expensive fossil fuels**. A transparent and efficient electricity market design is key to accelerating renewables, delivering energy security and allowing consumers to access affordable and competitive energy. **Member States with high shares of renewables or low-carbon generation tend to benefit from lower prices than those that predominantly rely on fossil fuels to generate their electricity**. Wind, solar and batteries cost almost nothing to run once they are built. With the RRF, Czechia has now in place a regulatory framework allowing the country to scale up these technologies and displace the expensive fossil fuel plants that have long driven its electricity prices upward.

Faster and streamlined permitting procedures

The permitting process for renewables includes construction and zoning permits, and connection authorisation. Before Czechia introduced the RRP reforms, the maximum reported time for permitting was 9.5 years. The RRP reform introduced binding times and increased capacity-based exemptions, reducing permitting process considerably:



+53.5% of renewable intalled capacity in 4 years

The permitting reforms have started to bear fruit. Since the RRP adoption, Czechia has installed **more than 2.4 GW of new renewable capacity, mostly decentralised solar**. RRP-backed solar installations at companies account for almost 20% of this increase, helping companies generate their own clean power, cut energy bills and strengthen competitiveness. Renewable acceleration areas will fast-track deployment, **enabling the installation of at least 3 GW of utility-scale wind and solar capacity**.

Czechia has introduced a **pioneering agrivoltaics reform** that establishes a clear framework for combining agricultural production with solar energy generation on the same land. By enabling the dual use of farmland, the reform **supports food security while accelerating the deployment of renewable energy and creating new income opportunities for farmers**. The framework ensures that solar installations do not undermine agricultural productivity, allowing farmers and **rural communities to become active participants in the energy transition**. That would make rural economies stronger by empowering farmers to produce clean electricity alongside crops, reducing energy costs and diversifying their income.

Supporting the electricity network...

With RRF support, Czechia is **modernising distribution grids**, enabling an additional 3.4 GW of grid capacity for renewables. It has introduced reforms to improve **transparency** such as public mandatory connectivity maps allowing investors to see where there is free capacity **and speed up grid connection** such as the removal of queue-blocking projects allowing to free capacity for more mature projects.

+3.4GW

of cumulative additional capacity to the distribution networks to further integrate renewables enabling

+240%

connection requests since 2021



And its flexibility and storage

The renewables roll-out needs to be accompanied by a modern electricity market and stronger grid stability, enabling greater efficiency and lower electricity prices. The **reform under the RRP** introduces a legal framework for **energy storage, flexibility services and independent aggregation in Czechia**.

The reform recognises **standalone battery storage**, allowing it to provide grid services, improve reliability, reduce curtailment and limit reliance on fossil-based backup. The reform also opens the market to new aggregators and strengthens consumer protection. The RRF reform had facilitated, **by the end of 2025, the installation of around 2,550 MWh of storage capacity, that can support daily and seasonal balancing lowering prices**.

Enhancing consumer empowerment

Electricity Data Center



+49.000

participants

+180 GWh

electricity shared
(equivalent to annual
consumption of 50,000
households)

**New storage and
flexibility functionalities**

Better management of the grid infrastructure will **help reduce electricity costs** for everyone. Alongside investments to make the grid more flexible, Czechia has adopted reforms under the RRP such as the **Electricity Data Centre (EDC)**. The EDC is a national digital hub that records how much electricity users generate, consume and share, and supports batteries and aggregators. This better data lets **consumers shift consumption to cheaper periods and adjust shared energy use**. It also helps grid operators manage congestion, balance supply and demand, and plan the grid more accurately.

The RRP is helping to decarbonise the building and heating sector

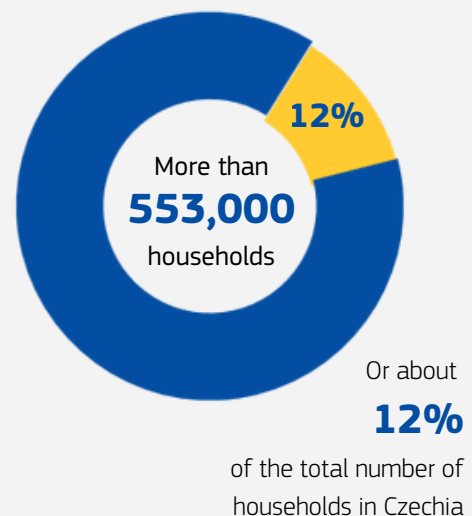
Energy costs also go down if consumption goes down. Decarbonising the building stock and heating sector is essential to reduce energy consumption, lower greenhouse gas emissions and strengthen energy security. Energy-efficient buildings require less energy for heating and cooling, **helping households reduce their energy bills and making them less vulnerable to energy price shocks**. Replacing fossil fuel-based heating systems with renewable and efficient alternatives, such as heat pumps and district heating, improves comfort, reduces air pollution and supports healthier living conditions.

The Czech RRP supports programmes like the **New Green Savings**, which has supported thousands of households to invest in energy saving measures, such as renovations, replacement of heating sources and installation of PV.

The Czech RRP also supports energy efficiency renovations of public and state buildings such as schools, theatres and municipal buildings, saving around 596 TJ/year.

Taking together, these measures have resulted in **more than 1.9 TWh of energy savings**. That is enough to **cover the yearly electricity consumption of more than 553 000 households**. Moreover, it can contribute to save an **estimated 4.7% of annual gas consumption** (0.34 bcm).

The RRP supports impressive energy savings



The RRP is decarbonising Czech transport, making it cleaner, cheaper and more secure

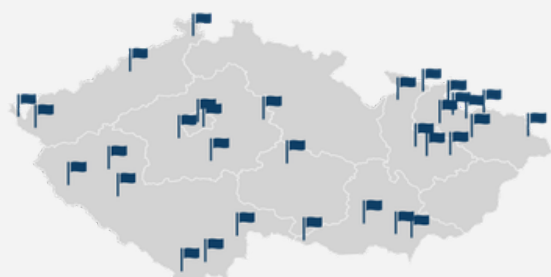
Building and upgrading transport infrastructure improves connectivity, reduces travel times and logistic costs, attracts investments, boosts productivity and competitiveness, enhances territorial cohesion and supports the transition to cleaner and more resilient mobility.

As part of its RRP, Czechia electrified and modernised **more than 270 kilometers of rail infrastructure**, making travel safer, faster and more reliable. These upgrades also strengthen connections between regions and with neighbouring countries, helping people and businesses travel and move goods more easily.

In addition, Czechia also built **85 kilometres of cycle paths and safe sidewalks**, improving everyday active mobility and connectivity, particularly in Czechia's rural areas.

35 railway stations renovated 58% less energy consumption

making daily travel **greener, cheaper** and **more comfortable**



Considerable investments also modernised **Prague's public transport network**, making it cleaner, faster and more efficient. **New trolleybus lines** now provide better connections between residential areas, major transport hubs and Prague Airport, while replacing outdated buses with zero-emission vehicles. Together with **20 new and spacious trams**, these investments improve daily mobility, reduce congestion and emissions, and strengthen its transport network for residents, visitors and businesses.

Czechia still ranks below the EU average in the uptake of zero- and low-emission vehicles. Through its RRP, **the country is investing in both electric vehicles and the charging network they need**. By helping businesses, public authorities and social care providers switch to zero-emission transport, and by bringing charging points closer to where people live and work, the plan is making everyday travel cleaner, more convenient and ready for the future.



+8,000

new electric & hybrid vehicles



+ 7,750

recharging points

The timing could not be better. **The current diesel crisis is a sharp reminder of how exposed combustion-engine drivers are to events far beyond our borders**. Electricity, by contrast, is largely generated at home.

And the difference is clear: Driving 1,000 km¹ now costs about €33 in an electric car, compared with around €115 in a diesel or petrol car, more than three times less². Since January³, the cost of covering that distance has jumped by 56% for diesel and 39% for petrol, but by only 18% for electric cars. **Today, a Czech driver who chooses electric saves around €82 - €85 every 1,000 km.**

Reforms driving the transition towards zero-emission mobility

The RRP has been delivering key reform to create the right conditions for clean mobility. These reforms are delivering results. The number of zero-emission cars newly registered in Czechia has nearly tripled between 2022 and 2024, an increase of 174%.



Enabling recharging infrastructure

National legislation to provide enabling conditions for the construction & operation of recharging & hydrogen refuelling infrastructure



Price differentiated highway vignette

A new vignette system based on CO₂ performance of vehicles



Tax incentives for zero-emission vehicles

Accelerated depreciation for all zero-emission vehicles encouraging uptakes



Reformed in-kind benefit scheme

Amendments to the in-kind benefit scheme to give a stronger advantage to zero-emission cars

Key results			
RES DEPLOYMENT	HOUSEHOLD COVERAGE	GRID REINFORCEMENT	ELECTRIC VEHICLES
 Reduction in lead times for solar PV deployment up to 8.5 years	 Energy savings corresponding to the annual electricity consumption of 553 000 households	 Additional grid capacity thanks to the RRF 3 400 MW	 Zero- and low-emission cars and vans 7854

For more information,
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