

The current taxonomy settings are completely disadvantageous for nuclear energy, which plays and will continue to play a key role in the Czech Republic's energy mix. The delegated act classifies nuclear energy in the taxonomy for a limited period only and subjects it to many restrictive conditions. A similar situation applies to natural gas sources, which will be crucial for the Czech Republic's energy transition and for maintaining security of supply.

The Czech Energy Association therefore proposes to maintain favourable financing conditions for nuclear and gas sources for a longer period than that specified in the current taxonomy rules. In this context, it is necessary to postpone the deadlines for existing/new nuclear energy from 2040/2045 to 2060/2065. Alternatively, the inclusion of nuclear technologies among sustainable investments could be considered.

Regarding natural gas sources, it is necessary to postpone the deadlines for building permits from 2030 to 2040 and the deadline for the mandatory transition to 100% replacement of natural gas and the combustion of sustainable and renewable gases in these 3 activities from 2035 to 2045: 4.29., 4.30. and 4.31.

The current deadline of the end of 2035 is unrealistic, partly due to the slower development of the hydrogen and other renewable gases market, resulting in natural gas being difficult/impossible to replace in the Czech Republic after the current deadline and due to the faster phase-out of coal. Particularly the district heating system decarbonisation will rely on natural gas and due to the geographic location of the Czech Republic is socially extremely sensitive. Moreover, the current deadlines threaten the realization of essential investments for energy supply stability.

Explicitly excluding blending with fossil fuels from the definition of activity 4.8. *Electricity generation from bioenergy* could hinder the transition and decarbonisation path of many power plants. There should at least be a trajectory to be followed to support transition, otherwise the investment made in previous years to increase the share of biomass in power plants could be seen as sunk cost.

In Activity 4.10 *Storage of electricity*, the Czech Energy Association calls on the European Commission to re-evaluate the proposed changes and to withdraw the newly introduced requirements for compliance with the criteria set out in Section 3.4.

The criteria in Section 3.4., which refer to Regulation (EU) 2023/1542, do not include the applicability rules laid down in Article 96 of that Regulation. This omission results in gold-plating compared to the proposed revision of the delegated act.

The Czech Energy Association therefore suggests amending all relevant criteria by replacing them with a direct reference to the underlying Regulation, in order to avoid this issue, prevent potential misinterpretations, and promote a stable regulatory framework that facilitates investment in battery energy storage systems (BESS).

In activity 4.13. *Manufacture of biogas and biofuels for use in transport and of bioliquids* we recommend including the economic activity and screening for Manufacturing of biogas and biomethane for all sustainable feedstocks (not only biowaste or sludge) compliant with RED II/III and independent from end use. Biogas production supplied to the distribution grid is currently excluded from the scope of the EU Taxonomy, despite its overall positive climate impact.

In relation to the EC's proposals for activity 4.14 *Transmission and distribution networks for renewable and low-carbon gases*, Czech Energy Association states that excluding "low-carbon gases" from taxonomically eligible projects would be a step backward, limiting the ability to finance a significant portion of the infrastructure needed to integrate biomethane into existing distribution networks. Furthermore, besides removing references to low-carbon gases such as biomethane, the scope is narrowed by excluding important transitional blending solutions. Many connections to these sources—although their future operation is planned to use renewable gases—are already temporarily eligible even when using natural gas under the taxonomy.

The same logic should therefore apply to the relevant infrastructure, i.e., connections utilizing existing gas networks. Gas sources, although they will not use renewable gases immediately, are taxonomically acceptable for a certain defined period—therefore, the same transitional eligibility period (or its extension) should also be applied to the related supply infrastructure.

As for the description of the network's preparation and retrofit to hydrogen-ready, the current definition in Regulation 2021/2039 is therefore more appropriate. We propose only a minor adjustment to one point of the technical screening criteria: to replace the reference to "100% hydrogen" with the wording "high-purity hydrogen".

We also recommend including H₂/CH₄ blends into the scope of hydrogen storage activities, at least temporarily. The storage facilities need substantial investments enabling hydrogen readiness, and they represent the key element in safeguarding the security of gas supply, especially in landlocked countries.

Considering activity 4. 15. *District heating/cooling distribution*, Czech Energy Association proposes to delete the new DNSH PPC criterion and consider it as N/A (no changes). We oppose the proposed wording, as it specifically refers to variable speed drives in addition to the ecodesign rules, without any justification for such a TSC, and includes an overly technical detail.

We do not agree with removing 4. 16. *Installation and operation of electric heat pump*, which is an important category as it was viewed as possible bridge to decarbonisation of the heat production. We suggest the efficient production of heat is a solid part of sought decarbonisation together with transformation of national production portfolios hence the 4.16. should remain.

We note the deletion of Section 4.16. Heat pumps are a key electrification pathway and if the intent is to consolidate treatment under building-sector activities, we would welcome an explicit cross reference or explanatory note to preserve clarity and avoid unintended gaps for business models involving installation/operation of heat pumps.

According to the definition provided in section 7.4, only on-site installations are included. As a result, large communal or industrial heat pumps, including those utilizing heat from wastewater treatment facilities for district heating, fall outside the scope of EU Taxonomy.

The inclusion of the term "and cooling" in activity 4.20 may be misleading, as it is unclear whether the activity requires the supply of "heat and cooling" or "heat and/or cooling". This distinction is relevant for the classification of technologies under this category. Furthermore, explicitly excluding blending with fossil fuels from the activity definition may hinder the transition and decarbonisation pathways

of many power plants. The same concern applies to activities 4.23 and 4.24, which should at least provide for a transition trajectory supporting gradual decarbonisation.

Regarding activities 7. 3. – 7. 6. The Czech Energy Association welcomes the removal of the DNSH criteria, as they were unjustified, counterproductive, and unnecessarily burdensome in demonstrating alignment for these activities.

The Czech Energy Association has also prepared specific proposals for amendments to the current wording of the Delegated Acts.

Annex I

Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

Amendment 1

4.27. Construction and safe operation of new nuclear power plants, for the generation of electricity or heat, including for hydrogen production, using best-available technologies

Original text

Construction and safe operation of new nuclear installations for which the construction permit has been issued by ~~2045~~ by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades.

Amendment

Construction and safe operation of new nuclear installations for which the construction permit has been issued by **2065** by Member States' competent authorities, in accordance with applicable national law, to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production (new nuclear installations), as well as their safety upgrades.

Justification

There is a need to set an equal level playing field for nuclear in the taxonomy, which negatively affects this crucial net-zero energy source and only allows nuclear to be included in the taxonomy for a limited period of time and under a large number of restrictive conditions. There is a need to substantially extend the 2040/2045 'transition' date by at least 20 years to ensure investment predictability and thus contribute to energy security and rational decarbonisation.



Amendment 2

4.28. Electricity generation from nuclear energy in existing installations

Original text

Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by **2040** in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants').

Amendment

Modification of existing nuclear installations for the purposes of extension, authorised by Member States' competent authorities by **2060** in accordance with applicable national law, of the service time of safe operation of nuclear installations that produce electricity or heat from nuclear energy ('nuclear power plants').

Justification

There is a need to set an equal level playing field for nuclear in the taxonomy, which negatively affects this crucial net-zero energy source and only allows nuclear to be included in the taxonomy for a limited period of time and under a large number of restrictive conditions. There is a need to substantially extend the 2040/2045 'transition' date by at least 20 years to ensure investment predictability and thus contribute to energy security and rational decarbonisation..

Amendment 3

4.29. Electricity generation from fossil gaseous fuels 1(b)

Original text

facilities for which the construction permit is granted by 31 December **2030** comply with all of the following:

- (i) direct GHG emissions of the activity are lower than 270g CO₂e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of 550kgCO₂e/kW of the facility's capacity over 20 years;
- (ii) the power to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same

Amendment

facilities for which the construction permit is granted by 31 December **2040** comply with all of the following:

- (i) direct GHG emissions of the activity are lower than 270g CO₂e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of 550kgCO₂e/kW of the facility's capacity over 20 years;
- (ii) the power to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same

capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;

(iii) the activity replaces an existing high emitting electricity generation activity that uses solid or liquid fossil fuels;

(iv) the newly installed production capacity does not exceed the capacity of the replaced facility by more than 15 %;

(v) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December **2035**, with a commitment and verifiable plan approved by the management body of the undertaking;

(vi) the replacement leads to a reduction in emissions of at least 55 % GHG over the lifetime of the newly installed production capacity;....

capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;

(iii) the activity replaces an existing high emitting electricity generation activity that uses solid or liquid fossil fuels;

(iv) the newly installed production capacity does not exceed the capacity of the replaced facility by more than 15 %;

(v) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December **2045**, with a commitment and verifiable plan approved by the management body of the undertaking;

(vi) the replacement leads to a reduction in emissions of at least 55 % GHG over the lifetime of the newly installed production capacity;...

Justification

The current taxonomy settings are disadvantageous for natural gas sources, which will be crucial for the Czech Republic's energy transition and for maintaining security of supply of both electricity and heat.

The Czech Republic therefore proposes to maintain favourable financing conditions for natural gas sources for a longer period than that specified in the current taxonomy rules. In this context, it is necessary to postpone the deadlines for building permits and the deadline for the mandatory transition to 100% replacement of natural gas and the combustion of sustainable and renewable gases.

The current deadline of the end of 2035 is unrealistic, partly due to the slower development of the hydrogen market and other renewable gases market, resulting in natural gas being difficult/impossible to replace in the Czech Republic after the current deadline and due to the faster phase-out of coal. Particularly the district heating system decarbonisation will rely on natural gas and due to the geographic location of the Czech Republic is socially extremely sensitive. Moreover, the current deadlines threaten the realization of essential investments for energy supply stability.



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Amendment 4

4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels 1(b)

Original text

facilities for which the construction permit is granted by 31 December ~~2030~~ comply with all of the following:

- (i) the activity achieves primary energy savings of at least 10 % compared with the references to separate production of heat and electricity; the primary energy savings are calculated on the basis of formula provided in Directive 2012/27/EU;
- (ii) direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy;
- (iii) the power and/or heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;
- (iv) the activity replaces an existing high emitting combined heat/cool and power generation activity, a separate heat/cool generation activity, or a separate power generation activity that uses solid or liquid fossil fuels;
- (v) the newly installed production capacity does not exceed the capacity of the replaced facility;
- (vi) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December ~~2035~~, with a commitment and verifiable plan approved by the management body of the undertaking;....

Amendment

facilities for which the construction permit is granted by 31 December **2040** comply with all of the following:

- (i) the activity achieves primary energy savings of at least 10 % compared with the references to separate production of heat and electricity; the primary energy savings are calculated on the basis of formula provided in Directive 2012/27/EU;
- (ii) direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy;
- (iii) the power and/or heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;
- (iv) the activity replaces an existing high emitting combined heat/cool and power generation activity, a separate heat/cool generation activity, or a separate power generation activity that uses solid or liquid fossil fuels;
- (v) the newly installed production capacity does not exceed the capacity of the replaced facility;
- (vi) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December **2045**, with a commitment and verifiable plan approved by the management body of the undertaking;....

Justification

The current taxonomy settings are disadvantageous for natural gas sources, which will be crucial for the Czech Republic's energy transition and for maintaining security of supply of both electricity and heat.

The Czech Republic therefore proposes to maintain favourable financing conditions for natural gas sources for a longer period than that specified in the current taxonomy rules. In this context, it is necessary to postpone the deadlines for building permits and the deadline for the mandatory transition to 100% replacement of natural gas and the combustion of sustainable and renewable gases.

The current deadline of the end of 2035 is unrealistic, partly due to the slower development of the hydrogen market and other renewable gases market, resulting in natural gas being difficult/impossible to replace in the Czech Republic after the current deadline and due to the faster phase-out of coal. Particularly the district heating system decarbonisation will rely on natural gas and due to the geographic location of the Czech Republic is socially extremely sensitive. Moreover, the current deadlines threaten the realization of essential investments for energy supply stability.

Amendment 5

4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system 1(b)

Original text

facilities for which the construction permit is granted by 31 December ~~2030~~ comply with all of the following:

- (i) the thermal energy generated by the activity is used in an efficient district heating and cooling system as defined in Directive 2012/27/EU;
- (ii) the direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy;
- (iii) the heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;

Amendment

facilities for which the construction permit is granted by 31 December **2040** comply with all of the following:

- (i) the thermal energy generated by the activity is used in an efficient district heating and cooling system as defined in Directive 2012/27/EU;
- (ii) the direct GHG emissions of the activity are lower than 270 g CO₂e/kWh of the output energy;
- (iii) the heat/cool to be replaced cannot be generated from renewable energy sources, based on a comparative assessment with the most cost-effective and technically feasible renewable alternative for the same capacity identified; the result of this comparative assessment is published and is subject to a stakeholder consultation;



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- (iv) the activity replaces an existing high emitting heating/cooling activity using solid or liquid fossil fuel;
- (v) the newly installed production capacity does not exceed the capacity of the replaced facility;
- (vi) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December **2035**, with a commitment and verifiable plan approved by the management body of the undertaking;
- (vii) the replacement leads to a reduction in emissions of at least 55 % GHG per kWh of output energy;
- (viii) the refurbishment of the facility does not increase production capacity of the facility;...

- (iv) the activity replaces an existing high emitting heating/cooling activity using solid or liquid fossil fuel;
- (v) the newly installed production capacity does not exceed the capacity of the replaced facility;
- (vi) the facility is designed and constructed to use renewable and/or low-carbon gaseous fuels and the switch to full use of renewable and/or low-carbon gaseous fuels takes place by 31 December **2045**, with a commitment and verifiable plan approved by the management body of the undertaking;...
- (vii) the replacement leads to a reduction in emissions of at least 55 % GHG per kWh of output energy;
- (viii) the refurbishment of the facility does not increase **heat** production capacity of the facility;...

Justification

The current taxonomy settings are disadvantageous for natural gas sources, which will be crucial for the Czech Republic's energy transition and for maintaining security of supply of both electricity and heat.

The Czech Republic therefore proposes to maintain favourable financing conditions for natural gas sources for a longer period than that specified in the current taxonomy rules. In this context, it is necessary to postpone the deadlines for building permits and the deadline for the mandatory transition to 100% replacement of natural gas and the combustion of sustainable and renewable gases.

The current deadline of the end of 2035 is unrealistic, partly due to the slower development of the hydrogen market and other renewable gases market, resulting in natural gas being difficult/impossible to replace in the Czech Republic after the current deadline and due to the faster phase-out of coal. Particularly the district heating system decarbonisation will rely on natural gas and due to the geographic location of the Czech Republic is socially extremely sensitive. Moreover, the current deadlines threaten the realization of essential investments for energy supply stability.



Amendment 6

4.29. Electricity generation from fossil gaseous fuels

Technical screening criteria

Substantial contribution to climate change mitigation (point 1b (i))

Original text

1b (i) direct GHG emissions of the activity are lower than 270g CO₂e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of **550**kgCO₂e/kW of the facility's capacity over 20 years;

Amendment

1b (i) direct GHG emissions of the activity are lower than 270g CO₂e/kWh of the output energy, or annual direct GHG emissions of the activity do not exceed an average of **750**kgCO₂e/kW of the facility's capacity over 20 years;

Justification

The emission intensity of electricity from a gas-fired power plant (without heat production) is approximately 350 g CO₂/kWh for modern plants with an efficiency of 55-60%. The annual limit of 550 kg CO₂/kW therefore corresponds to a capacity factor of 18% (i.e. 1570 hours). New gas sources will be needed especially in the cold months, when they can produce more than half the time, i.e. up to 2,200 hours, which corresponds to a capacity factor of 25% and thus an annual emission limit of 750 kg CO₂/kW.

Amendment 7

4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels

Technical screening criteria

Substantial contribution to climate change mitigation (point 1b (v))

Original text

1b (v) the newly installed production capacity does not exceed the capacity of the replaced facility;

Amendment

1b (v) the newly installed production capacity does not exceed the capacity of the replaced facility **by more than 30 %**;

Justification

The ratio between heat and electricity production differs between coal and gas sources. Strict adherence to the same total capacity would therefore require an artificial reduction in the electrical output of the new gas source. Equipment cannot always be replaced with an exact equivalent due to various constraints, such as the standardisation of different components, for example gas turbines. There is therefore a need for flexibility. The turbine market is currently oversaturated due to high demand from AI. Under these conditions, greater flexibility in the choice of output can have a positive impact on delivery times and the final price. Increasing CHP capacity may also have a positive impact on the transition of households to central heating.

Amendment 8

4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels

Technical screening criteria

Substantial contribution to climate change mitigation (point 1b (vii))

Original text

1b (vii) the replacement leads to a reduction in emissions of at least **55** % GHG per kWh of output energy;

Amendment

1b (vii) the replacement leads to a reduction in emissions of at least **40** % GHG per kWh of output energy;

Justification

The current limit, which requires a reduction in greenhouse gas emissions of at least 55%, does not allow for the replacement of existing coal-fired heating plants with gas sources and is therefore contrary to the purpose of decarbonisation. Taking into account efficiency and real operating conditions, the emission intensity of a coal-fired heating plant ranges from 450 to 470 gCO₂/kWh, while for gas sources it is 250 to 270 gCO₂/kWh. The reduction in greenhouse gas emissions is therefore approximately 40-45%.

Amendment 9

Call for a possibility of building new gas sources (without replacement) to meet growing demand for electricity

Proposal:

- In addition to replacing existing equipment, the newly installed capacity could also be built to meet growing peak demand for electricity.

Justification

- Total electricity consumption and peak demand in the EU will grow due to electrification (heat pumps, electromobility, etc.).
- In order to ensure security of supply, it will be necessary to build new controllable capacity in addition to replacing existing sources.
- The gas sources new-built could be conditioned by several requirements under which such investment would be allowed under taxonomy.