

REPLACE – Policy recommendations for the heat transition in North-West Croatia

From November 2019 to April 2023, the EU project [REPLACE](#) supported households to replace their old, inefficient heating appliances with modern, clean, and climate-friendly heating systems that are more comfortable and resilient. Within the context of the energy and climate crisis, enabling energy systems based on nearby, renewable energy sources - instead of fossil fuels imported from non-democratic states - is highly relevant for free societies.

This document contains recommendations for action at the political level for the Croatia heating market, which the project partner North-West Croatia Regional Energy and Climate Agency helpful for the heat transition based on the results of the project.

Contact: Martina Krizmanić Pećnik (mkpecnik@regea.org)

Challenges in & Solutions for North-West Croatia:

- There are many **natural gas installers** in urban areas who should be **quickly retrained** in suitable concepts for clean heating systems.
 - suitable further training formats and measures are needed for this purpose.
- There is a need to make the **job description** of installers and chimney sweepers **more attractive**
 - suitable nationwide marketing (image with regard to importance for the energy transition, etc.) and
 - suitable measures for attracting younger people to the professions and crafts needed for the clean energy transition, such as installers and manufacturers, through training programs and incentives to build a skilled workforce for the clean heating sector.
- There is a need to **establishment a national platform for heat mapping** to identify inefficient heating and cooling systems
 - many households in rural settlements experiencing energy poverty, this platform could easy identify areas that require targeted interventions and support.
 - raising awareness among the public about the potential energy savings and lower energy bills that can be achieved through boiler replacements through platform
- There is a **shortage of drilling equipment** for geothermal heat pumps
- **High initial investments** are a general problem for more and more households.
 - More offers are needed to reduce the barrier of high investments, e.g. through instalment payment models (or system/energy contracting)

- There is also a need for **permanently open tenders** for co-financing of renewable energy heating systems for citizens
 - Replacing periodic and irregular tenders that are evaluated based on speed of submission. This will provide a consistent and fair opportunity for all citizens to access co-financing for renewable energy investments.
- In the future, **solutions will be needed to reduce the price risks associated with the running costs of clean heating systems**
 - Suitable offers for long-term price-stable electricity supply for heat pumps
 - Introduce mandatory thermal energy planning at the local level
 - Replacing or improving the existing domestic hot water preparation system with a highly efficient system;

Further outlook & research needs for North-West Croatia

- Free investments in solar power plants up to 50 kW from VAT payments, which would easily provide a 20% incentive and trigger a wave of investments. This measure should be applied while simplifying all procedures for citizens.
- Solution to balance electricity prices for all consumer categories could involve implementing a gradual deregulation system over a period of approximately three years, or a suitable timeline. This system would aim to ensure that citizens have fair and equal access to electricity pricing, while allowing for market forces to gradually drive down prices and promote competition among providers.
- To encourage building co-owners to undertake building renovations without relying on national and EU grants, a comprehensive one-stop-shop service is necessary to provide them with all the necessary information and resources.



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