D4.2 - Policy Adoption Measures for the Decarbonization of the H&C Sector

FACTSHEET #1_[Croatia]

1. Identification of the measure

Promotion of RES in DHC

Strategic Policy Priority (SPP)	**SPP #1: Define a policy package per sector**
Sector	**District heating and cooling**
Type	**Policy** (including regulatory and fiscal)

2. Identification of KPIs (minimum of 3 KPIs)

KPIs	
KPI #1	Number of organised public tenders for RES (and WH) integration in DH systems
KPI #2	Number of RES (and WH) investments triggered
KPI #3	RES (and WH) capacities installed

3. Definition of the operationalization activities (minimum of 3 activities)

OPERATIONALIZATION ACTIVITIES	
#1	*Cost Benefit Analysis of RES integration in Croatian district heating systems*
#2	*Define needed investments and prioritise RES (and WH) technologies*
#3	*Organize public tender for RES (and WH) integration on Croatian district heating systems*

4. Applicability/focus of the measure[1]:

	City	
	Region	
X	National	Croatia

[1] Each MS is expected to focus on the application to, at least, 3 cities and 1 region.

5. Overview of the expected results

RESULTS		
KPI ID	*Assumptions*	*Estimated results*
#1	*Sufficient political will and institutional capacity exist to launch and manage public tenders. There is strong engagement from the private sector and local authorities.*	*5 public tenders will be organised over the next 5 years for RES and WH integration in DH systems.*
#2	*A supportive regulatory and financial environment encourages private and public sector investment. Positive outcomes from the Cost-Benefit Analysis support decision-making.*	*€100 million in RES and WH investments triggered over 5 years.*
#3	*Projects initiated through public tenders proceed to implementation without major delays. Supply chains and local capacities support timely deployment.*	*200 MW of new RES and WH capacity installed in DH systems by 2030.*

1. Brief description of the discussion oriented towards a SWOT analysis

Strengths

- There is access to EU funding mechanisms and green financing instruments that can be leveraged for district heating modernization;
- Skills in renewable energy integration is growing, supported by various pilot projects and sector-specific expertise.

Weaknesses

- The district heating infrastructure in many parts of the country is outdated, posing challenges for the integration of modern RES and WH technologies; ,
- Administrative procedures, particularly related to permitting and procurement, can be slow and burdensome, creating delays in project implementation.

Opportunities

- There is a significant opportunity to improve energy security by reducing reliance on fossil fuels through increased use of local renewable energy sources and waste heat.

Threats

- External threats include volatility in global energy markets and rising capital costs, which may impact the financial viability of RES projects;
- Incumbent fossil-fuel-based operators may resist change, potentially slowing down the transition process.