

**Mr. Jan Mládek**  
Minister of Trade and Industry  
Na Františku 32  
110 15 Prague 1

Brussels, 16 June 2014

Dear Minister,

I am writing you on behalf of the European Photovoltaic Industry Association (EPIA) to express our deepest concerns about the changes the Czech Ministry of Trade and Industry intends to bring on current legislation regarding support to the renewable energy sector.

In particular, the proposal to introduce a review mechanism that would retroactively adjust the guaranteed investment conditions of all renewable projects 10 years after their commissioning – and on the basis of an assumed 3.9% rate of return for solar installations - is in our view endangering the entire Czech photovoltaic renewable energy sector:

- This 10-year review mechanism would run in contradiction with existing Czech legislation, which guarantees specific feed-in tariffs for different types of existing renewable systems that are valid for a set period of time (mostly 20 years).
- The great majority of renewable projects are financed by bank loans. Such a 10-year review mechanism would put banks that have provided investors with loans for financing renewable energy projects in a precarious situation. They will in all likelihood shorten repayment dates, causing many investors to become insolvent. This would shed a huge climate of investment uncertainty for any investor – Czech or not – not only for renewable developers but would create investment uncertainty in the Czech Republic as a whole.
- Such a retroactive review would go against the repeated calls of the European Commission which emphasized that Member States should not modify the guaranteed terms and conditions for already existing projects, and that Governments must respect investors' legitimate expectations concerning the returns on existing investments.

Furthermore, we regret that these proposed changes have not, to our knowledge, been discussed with the representatives of the renewable energy sector.

In the light of the above mentioned elements, **we strongly urge you to reconsider the position of the Ministry and effectively abandon the implementation of this review mechanism.**

We remain, together with our Czech national members, at your full disposal to further exchange on best practices in the design of dynamic support mechanisms.

We are looking forward to hearing from you,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'O. Schäfer', with a long, sweeping horizontal stroke at the end.

Oliver Schäfer  
EPIA President