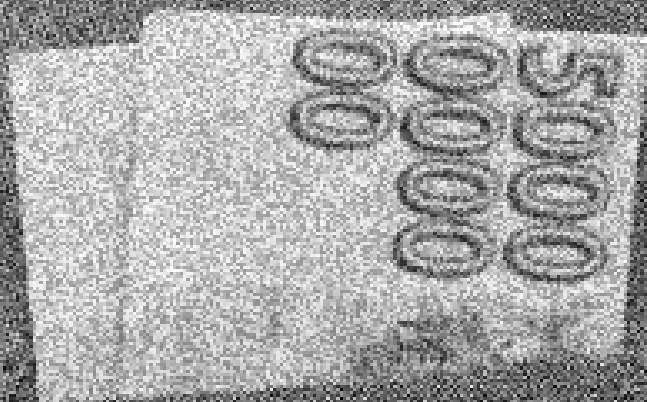
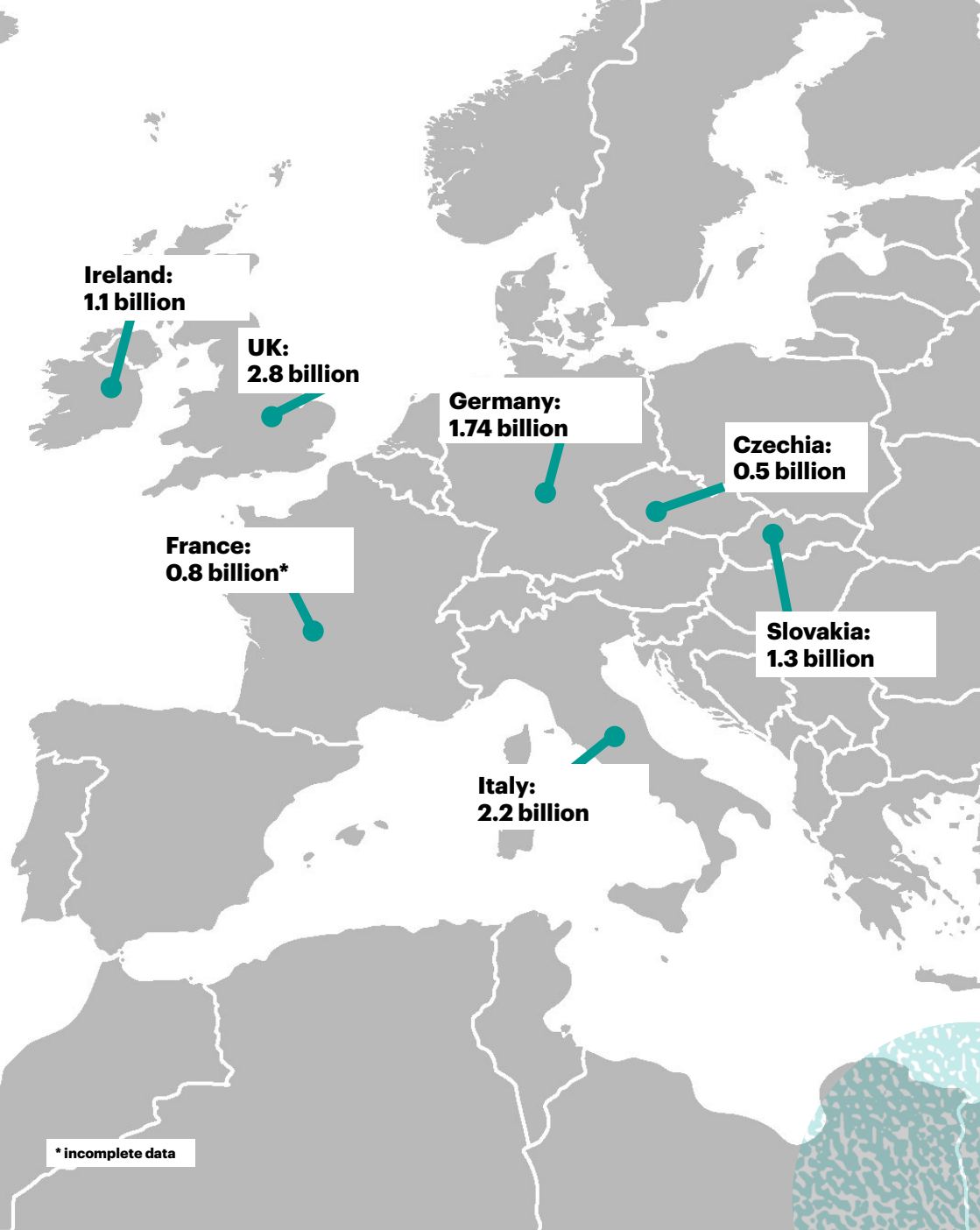


Freeloaders: **How Public Money** **Endows Coal** **Tycoons' Private** **Profits**



Subsidies for EP Group by country (in EUR):



Contents



1. Summary	2
2. Introduction: Public Money in Oligarchs' Pockets	6
3. Methods	9
4. Modernisation Fund and Just Transition Fund: Key Funding in Czechia	11
5. Capacity Mechanisms as Gift for Křetínský	15
6. Biomass Subsidies in Czech Oligarch's Service	17
7. Slovakia Generously Subsidizes Climate Crisis	19
8. Germany, Italy and United Kingdom Are Playing Along	21
9. Conclusion: Let's Subsidize Shared Wealth, not Private Profits	24

Summary

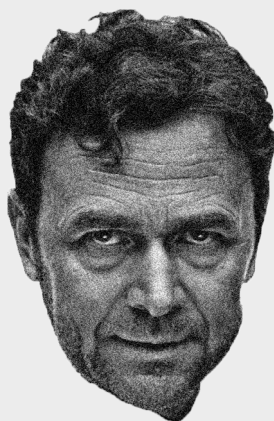
This report monitors how the business empires of Daniel Křetínský (EP Group) and Pavel Tykač (Sev.en Energy) draw on public funding in the Czech Republic and across Europe. Both oligarchs present themselves as independent entrepreneurs operating in the „free market.“ However, our analysis shows that their business model largely depends on subsidies, public funds, and state compensation. Even during the energy crisis (2022–2024), when both achieved record profits thanks to high energy prices, they also collected billions from public funds. This is a textbook example of a business based on the privatization of profits and the socialization of losses.

The most important data for the reviewed period (since 2015) are:

Total sum of public funding:



**EP Group:
EUR 10.4 billion**



**Sev.en Energy:
EUR 0.95 billion**



Capacity mechanisms

Capacity mechanisms are payments made by the state to power plant operators for keeping resources on standby in case of grid outages.

- **EP Group** is the largest recipient of these payments in Europe with contracts worth **EUR 4 billion** in Italy, Ireland and the United Kingdom.
- **Sev.en Energy** ranks twelfth with **EUR 843 million** for its InterGen gas-fired power station in the United Kingdom.
- Debates on the introduction of this mechanism in the Czech Republic and Germany suggest that both oligarchs would also like to use it in these countries in the future.

Biomass

Another important channel for public funding is subsidies for biomass combustion which is classified as “carbon neutral” source by the EU.

- In Italy, Křetínský's power stations have received the total of **EUR 487 million** since 2018.
- The British power station Lynemouth has received **GBP 674 million** since 2018.
- In France, the Government helped restart the operation of the Gardanne power station with financial support of **EUR 800 million**.
- Czech power stations Komořany and Plzeňská teplárenská have received **CZK 1.3 billion** (EUR 53.3 million) in biomass subsidies
- These subsidies contribute to the destruction of forests and at the same time allow the actual emissions to be concealed.

Czech Republic

The Czech Republic is a key country for both fossil corporations.

- **EP Group (Křetínský):** Since 2015, the group has received CZK 14.2 billion (approximately EUR 582 million), out of which CZK 11.3 billion (EUR 463 million) is from the Modernisation Fund. It was originally meant to support decarbonization, but in fact, it is used for funding of new units of gas-fired power stations and incineration plants. Additional projects worth CZK 7.4 billion (EUR 303.3 million) have been submitted for approval. The group is also going to receive operation funding for new gas units.
- In this period, the company received **CZK 2.1 billion** (approx. EUR 86 million) mainly from the Just Transition Fund (CZK 1.3 billion) and the Modernization Fund (CZK 0.5 billion). Tykač also earns billions of CZK in public contracts for electricity supplies (army, railway administration, ministries).

Slovakia

In Slovakia, Křetínský's companies have received **EUR 1.3 billion** since 2015.

- Most of it – **EUR 931 million** – were coal subsidies for the Nováky power station.
- The sum of **EUR 370.6 million** was received in compensation programmes responding to the energy crisis after Russia attacked Ukraine.
- The rest of the funding came from EU programmes and national programmes supporting hydrogen.

Germany

Germany is another significant source of funding for Křetínský.

- The LEAG company received a coal phase-out compensation worth **EUR 1.2 billion**.
- Additional subsidies amounted to **EUR 191 million** including the Just Transition Fund financing.
- The Thyssenkrupp steelworks, where Křetínský owns 20% of shares, has received subsidies worth **EUR 35.2 million** since May 2024.

Italy and United Kingdom

Besides capacity mechanisms and biomass, we have identified additional subsidies in these countries.

- In Italy, EP Produzione received a state guarantee of **EUR 5.6 million** during the Covid-19 pandemics.
- In the United Kingdom, Křetínský's companies received several subsidies, for example GBP **12.6 million** for the Eggborough power station.

Conclusions and recommendations

This analysis shows that EP Group and Sev.en Energy systematically draw huge amounts from public funds which end up in private pockets instead of contributing to affordable and sustainable energy for all and financing other public services. We therefore propose the following steps:

- **Limit the influence of the fossil lobby:** Fossil fuel companies must be prevented from influencing climate and energy policy, similar to how governments limited the influence of the tobacco industry in the past.
- **End subsidies for fossil fuels:** Subsidies for fossil fuels must end. The Modernisation Fund and the Just Transition Fund must be set up primarily to support municipalities, small businesses, and cooperatives. Governments must reset capacity mechanisms and subsidies for biomass so that they are directed toward clean and community projects, not the plans of oligarchs.
- **Invest in public services and community energy:** Governments should redirect public money to education, healthcare, affordable housing, and clean energy in the hands of communities, municipalities, or the public sector. This is the only way to strengthen democratic control over energy and tackle the climate crisis in a just manner.
- **Return key energy infrastructure to public ownership:** The energy and climate crises are a direct consequence of privatization and the subordination of strategic sectors to the logic of profit, which hinders the necessary investments in transformation. Private companies invest mainly when the state subsidizes them or creates favourable conditions for them to do so. The public sector, on the other hand, is capable of making key investments, which is why it is necessary to return essential infrastructure — power plants, transmission and distribution networks, and municipal heating plants — to public ownership. This will enable rapid decarbonization, stable energy supplies, and fair prices for all.

2. Introduction: Public Money in Oligarchs' Pockets

Daniel Křetínský does not often give interviews – although a few years ago, he described his love for the free market for The Times newspaper.¹ The Czech oligarch has long been an outspoken critic of state interventions in the energy sector and tries to build his image of an entrepreneur who has made his fortune solely through his own hard work and without the help of others.² Another prominent Czech oligarch in the energy sector, Pavel Tykač, has been trying to portray himself in a similar way.³ Is this public image of the two fossil fuel billionaires accurate? And what is the role of advantageous collaboration with national governments and the use of public funding, familiar also from other billionaires' cases?⁴

We have provided a partial answer to these questions in 2022 in a text describing the growth of Daniel Křetínský's fossil empire and the role of various European countries in it.⁵ In this report, we are taking another step as we have provided figures related to the cooperation between governments and energy empires owned by Daniel Křetínský and Pavel Tykač. Our goal is to sketch out the basic outlines of how much public money these wealthy Czech businessmen regularly receive in direct subsidies and compensations in Czechia and other countries.

Are such transfers of public funds to fossil oligarchs' private businesses justified? Are their companies in such a bad shape they need subsidies? Daniel Křetínský and Pavel Tykač, in particular, made record profits during the energy crisis which we all paid for in our energy bills. An analysis conducted in partnership with CDE (Centre for Transport and Energy) showed that in 2022 alone, Křetínský's energy holding earned CZK

113 billion (approximately EUR 4.6 billion), tripling its profit compared to 2021.⁶ A year later, it was even more: CZK 180 billion (approx. EUR 7.4 billion).⁷ The value of Pavel Tykač's assets increased by CZK 100 billion (approx. EUR 4 billion) between 2021 and 2022, doubling his wealth. And yet, both oligarchs drew billions from public funds across Europe at the same time. It is thus clear that subsidies are not functional investments in necessary public infrastructure: they are part of an unfair system based on the privatization of profits in the hands of oligarchs and the socialization of losses.

This does not mean that subsidies for energy are necessarily a problem. The energy sector is an area that no society can do without, and massive public investment in it is entirely legitimate and essential – as long as it ensures affordable, stable, and environmentally sustainable energy. But now, instead of developing public infrastructure and socially just transformation, money is flowing into the pockets of the wealthiest who are profiting from the system and passing on the losses to society. When subsidies – including those for renewable energy sources and energy efficiency – go to large energy corporations, it becomes a systemic problem. Instead of providing affordable and cheap energy in community and public ownership, they are building infrastructure that is harmful to the environment – and this happens for the enrichment of a few owners. The private sector is not the main driver of energy transformation, but rather a hindrance to it.⁸ The public sector can be faster in the speed and scope of the transition.⁹ This is demonstrated by examples of community and public projects in Denmark, the Netherlands, Belgium, and South America.¹⁰ The advantage of combining public

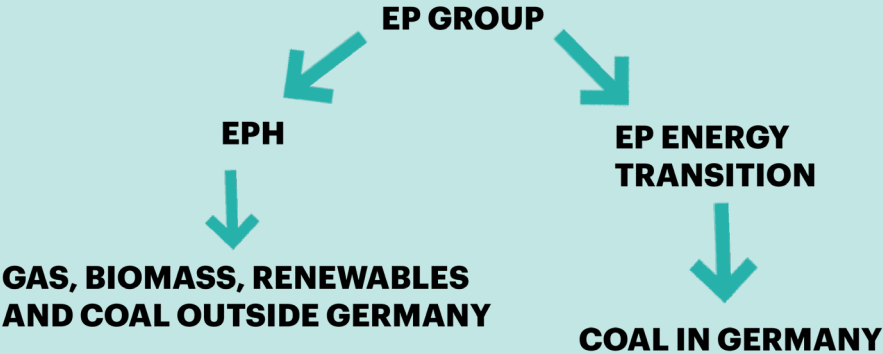
and community ownership is better fulfilment of local needs, control over energy prices, and the fight against energy poverty instead of short-term profit.

Report objectives

Our ambition was to point out the amounts of money that European countries are spending to maintain a dysfunctional energy system which, under the control of private corporations, is unable to ensure affordable energy or address the climate crisis. At the same time, we wanted to highlight the specific channels and funds through which people in positions of power divert our money into their own accounts. Due to the limited availability and varying quality of data in different countries, it is not possible to quantify the amount precisely—in reality, the amounts of public money going to the Czech oligarchs are likely even higher.

One of the chapters describes subsidies directed at fossil fuel empires by the Czech state. Recently, the organization Beyond Fossil Fuels revealed that Daniel Křetínský is by far the largest European recipient of public money through capacity mechanisms.¹¹ Pavel Tykač ranked twelfth in this unflattering list. We reproduce the results of this investigation in the chapter on capacity mechanisms. The following chapter reveals the amount of money Křetínský receives from biomass subsidies. Both chapters demonstrate the Czech oligarch’s dependence on public money. The final chapters of this report describe subsidies received in other European countries: Slovakia, Germany, Italy, and the United Kingdom. These chapters contain certain gaps due to language barriers and the complexity of accessing data. Nevertheless, it can be said that states are paying enormous sums to the fossil fuel businesses of Czech oligarchs.

Throughout this report, we use the name EP Group for Daniel Křetínský’s empire instead of the established brand EPH. The reason for this is that in 2023, Křetínský created a sister company, EP Energy Transition, into which he transferred his coal-fired power stations and mines in Germany. This manoeuvre is intended to paint the EPH brand green and create the impression that the company is on the path to a timely end of coal and decarbonization.¹² Since we have been monitoring Daniel Křetínský’s entire energy business, we use the name EP Group, which covers both subsidiaries, EPH and EP Energy Transition.





3. Methods

The aim of this report was to provide as accurate a picture as possible of the public funds received by the EP Group and Seven Energy across Europe. From the very beginning, we have faced limited data availability. There is no central register that provides detailed and sufficient data of all corporate subsidies — neither at the EU level, nor in the Czech Republic or in the other individual countries where Daniel Křetínský and Pavel Tykač do business.

The practical unavailability of specific data, for example, meant that subsidies to the Irish power plant Tynagh were excluded from our analysis. Křetínský's fossil fuel power plants in France, Italy, and Germany would certainly deserve a more detailed look. In the case of Pavel Tykač, the analysis focuses exclusively on companies operating in the Czech Republic, again due to the limited availability of data on subsidies in Australia and the United States.

We therefore do not claim to have identified and recorded all the subsidies received by large energy companies. However, we do provide comprehensive data on the amount and methods of such use of public funds. First, we explain the methods we used to arrive at our results.

Definition of subsidies, time frame, and sources

In calculating the amounts presented, we focused on subsidies and compensation, mostly in the form of direct payments through government and European subsidy programs, operating support, or capacity payments. The figures are given in the currency in which the subsidies were received. For reasons of time and capacity, we chose not to include indirect subsidies such as tax reliefs. The funds that individual EPH companies channel to tax

havens in Cyprus or Luxembourg would merit a chapter of their own, but our analysis does not address this either.

In terms of the time frame, we mapped subsidies between 2015 and 2025 (inclusive). Our aim was to examine how countries subsidized fossil fuel companies after the conclusion of the Paris Climate Agreement. The longer horizon also enabled us to observe changes in the structure of subsidies over time. Since Daniel Křetínský acquired several companies during the period under review, we included only the subsidies received after their acquisition by the EP Group holding.

We have also provided a folder containing the dataset we compiled as the basis for our analysis, including the sources of each subsidy. The data folder is available at <http://nolog.link/s/DruVGU>.

Capacity payments and subsidies for biomass combustion

In some cases, we were able to rely on data previously published by other civic or journalistic investigative teams. Unfortunately, studies mapping the amount and structure of fossil fuel subsidies do not provide data on specific companies receiving public money.¹³ The most useful source for us in this regard was an analysis by our colleagues at Beyond Fossil Fuels entitled *Fossil Gas Freeloaders: Beyond Fossil Fuels exposes the utilities benefiting from European “capacity market” subsidies*.¹⁴ The results of the companies we monitored can be found in the chapter on capacity mechanisms. Similarly, in the chapter on biomass, we were able to draw on the results of an analysis by an international team of journalists who mapped the EP Group's biomass business in the project *Biomass: The Green Mirage*.¹⁵ We subsequently verified and supplemented this data from other sources.

Czech Republic

For our initial analysis of subsidies in the Czech Republic, we relied on the Subsidy Register maintained by the Ministry of Finance and the independent investigative website *Hlídač státu* (State Watchdog).¹⁶ Although both platforms contain a wealth of data, their quality and reliability are not always guaranteed: the Subsidy Register lacks key information, while *Hlídač státu* sometimes includes duplicate or redundant entries.

In parallel with this analysis, we submitted requests for information under Act No. 106/1999 Coll. to the Ministry of Regional Development, the Ministry of Finance, the Ministry of the Environment, the Ministry of Industry and Trade, and the Ministry of Labor and Social Affairs.¹⁷ The same requests were also addressed to the State Environmental Fund of the Czech Republic and the Labour Office, which, according to our preliminary findings, had also provided public funds to these companies. In these requests, we asked specifically about direct subsidies to a broad range of companies belonging to the EP Group and Sev.en Energy.

Beyond the responses to our requests, we drew on information published by individual ministries (such as the State Environmental Fund's Open Data portal), annual reports of the companies under review, and the European Commission's State Aid Transparency Database when analyzing subsidies to these companies in the Czech Republic.¹⁸ Our goal was to verify the existence of each subsidy through at least two, and ideally three, independent sources.

The above-mentioned procedure revealed the lack of clarity and transparency of data on subsidies. Individual ministries record and provide different, often inaccurate and incomplete information, as do the above-mentioned servers and search engines. On several occasions, we had to exclude certain subsidies found on mini-

stry websites or in requests for information because we discovered from other sources that they had never actually been paid out. Greater transparency would certainly be aided by a reliable and well-managed server that would provide valid and sufficient information with ongoing data verification.

Slovakia

There are no investigative or independent websites in Slovakia that systematically map subsidies issued. One of the sources of information was the Register of Contracts, which contains at least some of this information.¹⁹ Another key source was an analysis by the organization Priatel'ia Zeme (Friends of the Earth) on changes in subsidies for fossil fuels between 2023 and 2024 in Slovakia.²⁰ Most of the data for Slovakia comes from official lists of applications paid out under various programs from the website of the Ministry of Economy of the Slovak Republic, which we supplemented with search results from the European Commission's State Aid Transparency Database and data from the final reports of Křetínský's energy companies in Slovakia.

United Kingdom, Germany and Italy

To access data from the United Kingdom, we joined forces with The Movement Research Unit, a local research organization, which prepared an analysis of public subsidies provided to Daniel Křetínský's energy companies by the UK government.²¹ For data from Germany, we used a combination of the European Commission's State Aid Transparency Database and information obtained by submitting requests for information via the Frag Den Staat server.²² This server facilitates communication between civic organizations and German government institutions, which is why it has become an important source of information for us. Some key responses from German institutions had not arrived by the time this report was published, so we will update the final data from Germany in the near future.

We also used the European Commission's State Aid Transparency Database to analyze subsidies in Italy. Another important source of information in Italy was the OpenData server of the local energy agency GSE which records energy subsidies provided to individual companies in

Italy.²³ Verification of data from these foreign countries was understandably more difficult, mainly due to the language barrier. However, we tried to adhere as much as possible to the standard of confirming the existence of subsidies from at least two sources.

4. Modernisation Fund and Just Transition Fund: Key Funding in Czechia

The Czech Republic is home to both Daniel Křetínský and Pavel Tykač. They both studied and built their business careers here, and they maintain close ties to the country. It has thus become one of the key countries for their business, including the receipt of subsidies. In this chapter, we describe how both oligarchs receive public money in the Czech Republic.

Daniel Křetínský's companies operating in the Czech Republic received **CZK 14.2 billion** (approx. EUR 582 million) in subsidies during the period under review.²⁵ Most of the subsidies came from the Modernisation Fund: three companies belonging to the EP Group, namely Elektrárny Opatovice, Plzeňská teplárenská and United Energy, received CZK 11.3 billion (approx. EUR 463 million) over the last three years.²⁶ In all three cases, the projects involve replacing local coal-fired units with gas-fired ones, and in the case of the Komořany heating plant, which is part of United Energy, it also involves an incinerator.

However, this is not the only money that Křetínský has requested from the fund. Elektrárny Opatovice submitted three other projects worth CZK 7.4 billion for additional gas units and a new incinerator. If the Czech state continues with uncritical approvals of projects submitted by the EP Group, this holding company may receive **CZK 18.7 billion** (approx. EUR 766.4

Modernisation Fund:

The Modernisation Fund was established by the European Union to support ten countries with outdated energysystems. It is financed through revenues from emission allowances. The aim is to support decarbonization in countries that would otherwise not have enough money for the necessary investments to reduce emissions in the energy sector. However, as an analysis by BankWatch shows, the fund is falling short in this mission and, in the vast majority of cases, it is financing the construction of new gas facilities or incinerators for large companies.²⁴

million) from emission allowance revenues, exclusively for the development of new fossil fuel infrastructure. However, the transition from coal to gas is not an investment in green future, but rather in further exacerbating the climate crisis.²⁷ Due to methane leaks during gas extraction and transport, there is not much difference between the emissions from coal and gas. The Czech Republic is thus using the proceeds from emission allowances to finance the construction of a new fossil fuel facilities owned by a private company which will destroy the climate in the

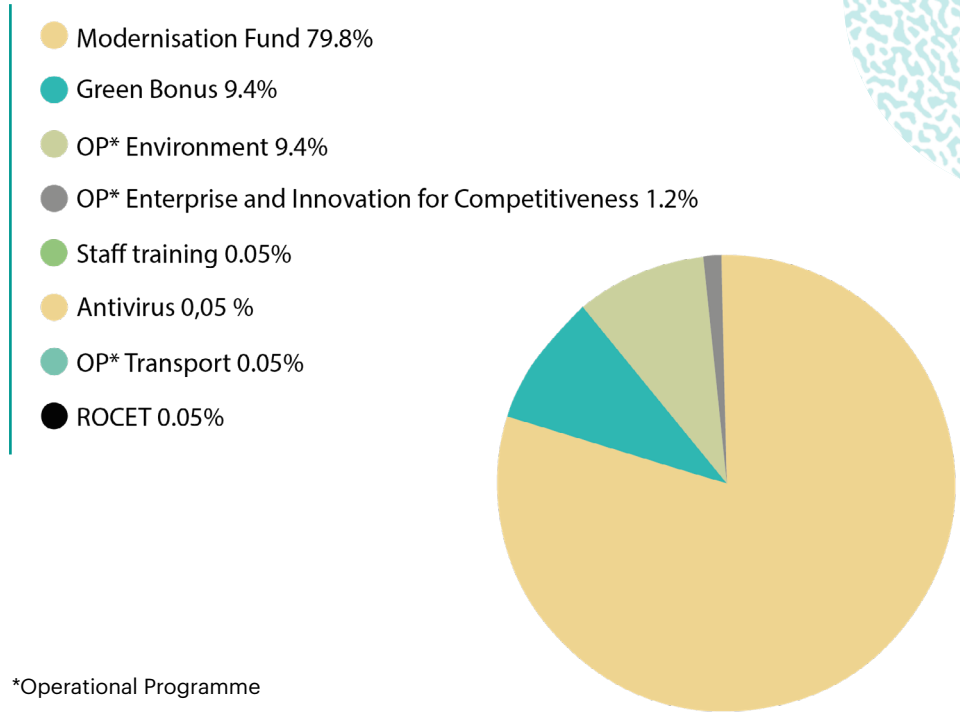
coming years. By way of comparison, in the 2024 budget, the government has reduced the volume of subsidy programmes for education and sports by CZK 7.7 billion, for affordable housing by CZK 200 million, and has cut subsidies for regional development by one billion CZK.²⁸

Křetínský's companies received a total of CZK 1.3 billion (approx. EUR 53.3 million) in subsidies for biomass (see the chapter on biomass for more details). The remaining CZK 1.6 billion (EUR 65.6 billion) in subsidies was allocated to the modernization of power station and heating facilities to improve energy efficiency, promote greener operations, and

support employee training. In the future, the Czech Republic will also subsidize the operation of Křetínský's power plants. Three of his companies secured auctions for support for electricity produced through high-efficiency co-generation, and all are scheduled to begin receiving these subsidies in 2029.²⁹ The Ministry of Industry and Trade does not currently have an estimate of the total payments to individual power stations.³⁰ However, given that operating support is capped at the first 3,300 hours per year, each of the three companies could receive subsidies of CZK 13.8 million per year, totalling CZK 41.4 million (approx. EUR 1.7 million)

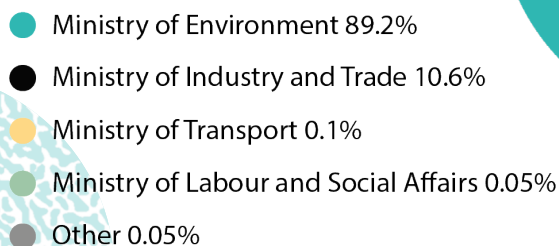
Direct subsidies for EP Group in Czechia by funding source

The total of CZK 14.2 billion (EUR 582 million)



Direct subsidies for EP Group in Czechia by ministry

The total of CZK 14.2 billion (EUR 582 million)



Just Transition Fund

The Just Transition Fund was established by the European Union to support coal regions. The aim is to support the development of regions after the end of coal and also to contribute to decarbonization and emission reduction. At Re-set, we have been addressing this issue on a long-term basis and pointing out that money for just transition is going to projects run by large companies.³¹

Just Transition Directed by Pavel Tykač

In comparison, Pavel Tykač's companies have received significantly less money in subsidies since 2015. The total amount of direct subsidies was CZK 2.1 billion (approx. EUR 86 million).³² Unlike EP Group, Sev.en Energy's main source of public money was the Just Transition Fund which is paid out by the Ministry of the Environment through the Just Transition

Operational Programme. In this way, the ministry supported Tykač's company Sev.en Inntech with CZK 1.3 billion (approx. EUR 53.3 million), specifically for the revitalisation of the ČSA opencast lignite mine and the original bed of the Bílina River. Another important source was – again – the Modernisation Fund, from which Tykač will receive CZK 549 million (approx. EUR 22.5 million) for the construction of photovoltaic units in several locations of former thermal power stations. The rest of

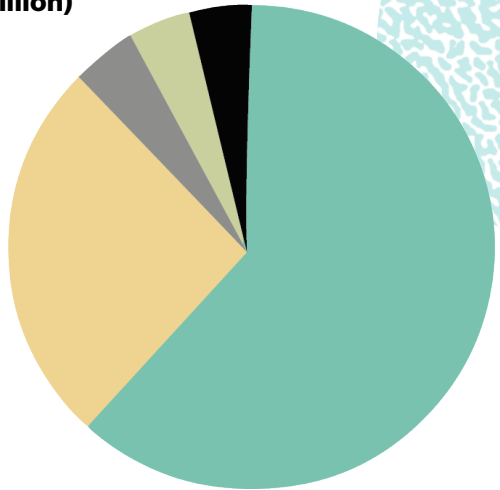
the subsidies will go towards supporting employment in northern Bohemia and projects to make power stations and heating plants more environmentally friendly and efficient.

However, the state also provides indirect subsidies for Pavel Tykač's business through contracts between state institutions and Powertica Energie (formerly Sev.en Industry Supply) for electricity supplies. Tykač's companies have contracts with the Czech Army, Prague Castle Administration, Railway Administration and several ministries for 2024 and 2025.³³ These contracts amount to billions of CZK (for

example, the contract with the Railway Administration for 2025 is worth CZK 2.5 billion, i.e. EUR 102.5 million).³⁴ Nevertheless, we have not included the figures in the overall list, as we consider this mechanism to be indirect subsidies. Pavel Tykač has long been requesting additional subsidies for the coal business under the threat of rapid and uncoordinated closures of coal-fired power plants.³⁵ We mention this information here to avoid giving the misleading impression that the Czech Republic significantly favours Daniel Křetínský's business when awarding subsidies and that Tykač himself is not actively seeking state subsidies.

Direct subsidies for Sev.en Energy in Czechia by funding source

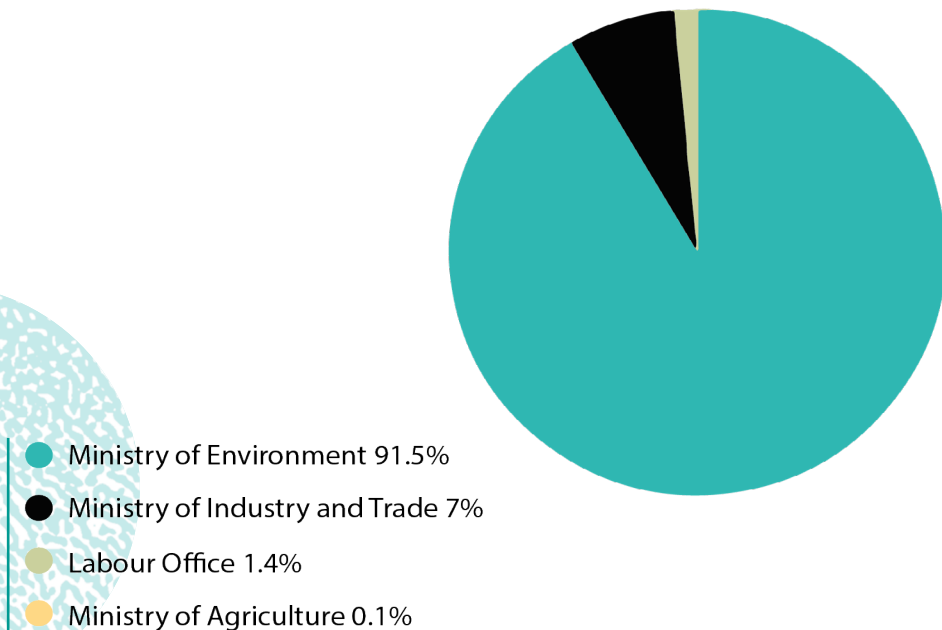
The total of CZK 2.1 billion (EUR 86 million)



- OP Just Transition 61.8%
- Modernisation Fund 25.7%
- OP* Enterprise and Innovation for Competitiveness 4.2%
- Staff training and support 4.2%
- OP* Environment 4%
- Recultivation 0.1%

Direct subsidies for Sev.en Energy in Czechia by ministry

The total of CZK 2.1 billion (EUR 86 million)



5. Capacity Mechanisms as Gift for Křetínský

This chapter is based on a report made by our partner organization Beyond Fossil Fuels.³⁶ Researchers have calculated how much money Belgium, Poland, the United Kingdom, Ireland and Italy pay through capacity mechanisms to largest energy companies. France is not included as there are no data on its use of capacity mechanisms by energy companies. The research is also based on data collected by Aurora Energy Research.³⁷

What are capacity mechanisms:

Capacity mechanisms are instruments used by countries to ensure the stability of the energy grid: they provide payments to private power station operators (most often gas-fired) to keep their facilities on standby in case of electricity shortages. These units typically run at full capacity during the winter months.³⁸ Capacity mechanisms for gas-fired power plants are currently applied in six European countries, and their introduction is under discussion in the Czech Republic.³⁹

12 leading recipients of capacity payments in Europe

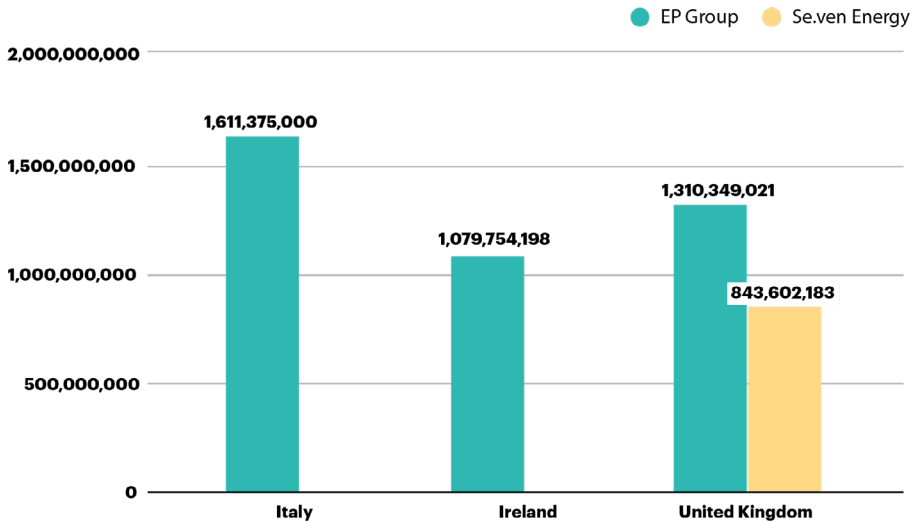
Recipients	Amount (€)
EP Group (CS)	4,001,478,219
Orlen Group (PL)	2,847,509,924
PGE (PL)	2,578,283,351
Enel (IT)	2,247,075,000
SSE (UK)	1,982,258,173
EDF (FR)	1,974,829,548
A2A (IT)	1,773,675,000
ESB (IR)	1,556,292,490
RWE (GE)	1,335,161,323
Uniper (GE)	1,066,842,505
Vitol (SW)	974,769,139
Sev.en Energy (CS)	843,602,183

The results clearly show that the EP Group holding company is the largest recipient of funds from capacity mechanisms. In total, Daniel Křetínský's companies will receive EUR 4 billion, of which they have already collected just under EUR 1 billion, with the remainder to be paid out over the next 17 years. Of this amount, EUR 1.6 billion is allocated to power plants in Italy, EUR 1.1 billion in Ireland, and EUR 1.3 billion in the United Kingdom. In Italy, Křetínský's companies have received or will receive subsidies through capacity mechanisms for the Ostiglia and Tavazzano power stations; in Ireland for Tynagh, Ballylumford,

and Kilroot; and in the United Kingdom for Langage, South Humber Bank, and West Burton B.

Sev.en Energy ranked twelfth in the same list, with EUR 843 million contracted in the United Kingdom for the InterGen gas power station. Capacity mechanisms for gas-fired power stations are now also under discussion in the Czech Republic and Germany.⁴⁰ Experience from abroad shows that Czech oligarchs are exploiting this public funding on an unprecedented scale to enrich themselves.

Subsidies through capacity mechanisms by country



6. Biomass Subsidies in Czech Oligarch's Service

The EP Group holding company is also among Europe's major operators of biomass-fired power stations. In 2022, we translated a study by the FERN organisation on this subject which outlines Křetínský's strategy of environmental and forest destruction.⁴¹ The most prominent example is the Lynemouth power station in the United Kingdom, known for burning wood pellets imported from North America.⁴²

According to FERN, Křetínský uses biomass—often co-fired with coal in his plants—to mask actual emissions. The European Union classifies biomass as a carbon-neutral source and therefore excludes it from the emissions trading system, even though its combustion generates relatively high levels of greenhouse gases. The study suggests that the EP Group has used this approach to conceal up to a quarter of its actual emissions

in the past. FERN has also long criticised European and national biomass subsidy schemes for incentivising the logging of healthy forests. An investigation by *The New York Times* revealed that poorly designed subsidies for biomass combustion have driven large-scale logging, including in protected forests in Romania.⁴³ It is therefore hardly surprising that Daniel Křetínský's EP Group holding company makes extensive use of these subsidies.

Research by the Journalism Fund's investigative team illustrates the scale of the subsidies involved.⁴⁴ In 2024 alone, EP Group's biomass power stations in the United Kingdom, France, the Czech Republic, and Italy received at least EUR 255 million. We therefore examined data over a longer period to show how dependent EP Group's biomass business is on subsidies.

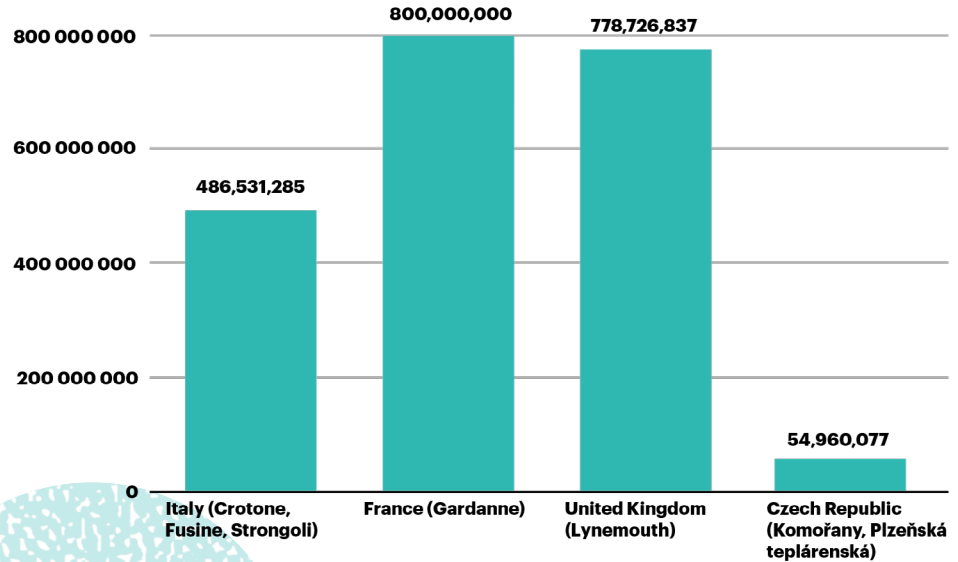
In Italy, the Crotone, Fusine, and Strongoli power station have received a total of EUR 487 million since 2018.⁴⁵ The Lynemouth power station in the United Kingdom has obtained GBP 674 million in subsidies over the same period.⁴⁶ As in other cases, it proved virtually impossible to access reliable data on past subsidies for the Gardanne power plant in France. However, between 2025 and 2033, the French government will provide GazelEnergie, part of the EP Group holding company, with EUR 800 million.⁴⁷

In the Czech Republic, Křetínský's companies United Energy and Plzeňská teplárenská receive biomass subsidies in the form of "Green Bonus". This mechanism provides a surcharge on the market pri-

ce of electricity, available to producers generating power from renewable sources. As noted in the chapter on subsidies in the Czech Republic, these companies have collected a total of CZK 1.3 billion (approximately EUR 54.5 million) since Daniel Křetínský acquired a stake in Plzeňská teplárenská.

In addition, the Czech Ministry of Industry and Trade has announced a call for proposals worth CZK 500 million (EUR 20.5 million) under the *Technology and Applications for Competitiveness Operational Programme* to support biomass combustion. Based on experience abroad, it can be assumed that Daniel Křetínský will also seek to benefit from these public funds.

Křetínský's biomass subsidy business (amounts in EUR)



7. Slovakia Generously Subsidizes Climate Crisis

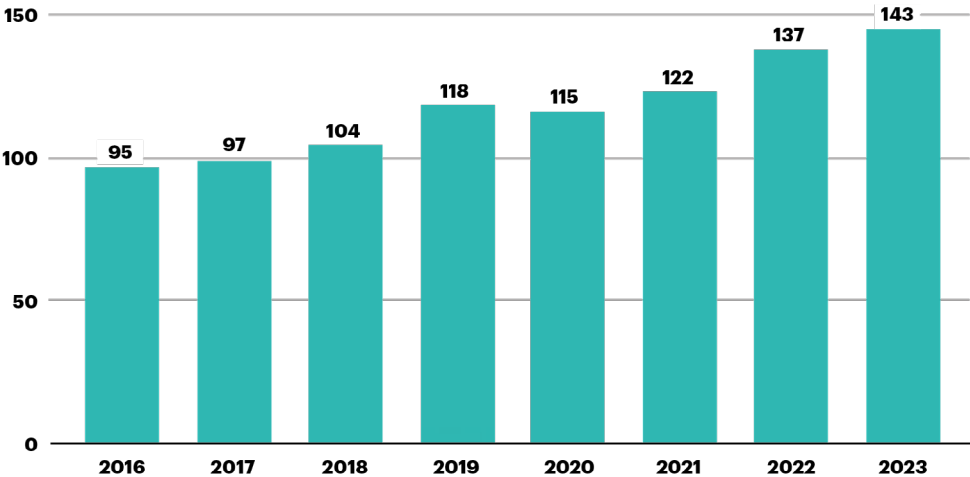
In Slovakia, Daniel Křetínský’s business activities involve the operation of coal, gas, and nuclear infrastructure. In recent years, this has given him access to a significant share of the public funds that the Slovak state allocates to support fossil fuel energy sources. According to our calculations, various EP Group companies have received a total of EUR 1.3 billion from Slovak taxpayers.⁴⁸

The largest share of public money came in the form of coal combustion subsidies

at the Nováky power station. Until 2023, the Slovak state financed these subsidies through the *Mechanism of General Economic Interest*. For our analysis, we included subsidies from 2016 onwards, when Křetínský acquired a stake in Slovenské elektrárne, the operator of the Nováky power station. The purpose of these subsidies was to sustain the loss-making operation of the power station and preserve jobs in coal mining. In total, the Slovak state spent EUR 931 million on coal subsidies during this period.⁴⁹

Coal combustion subsidies at the Nováky power station, 2016–2023

Amounts in millions of EUR (total of EUR 0.93 billion)



Křetínský’s companies made extensive use of subsidy programmes introduced in response to the war in Ukraine and the energy crisis of 2022–2023. In an effort to lower the final price of electricity

and heat for consumers, the Slovak government significantly increased public funding for fossil fuels. In 2023 alone, the total amount disbursed reached EUR 1.6 billion.⁵⁰

The EP Group also received state compensation aimed at reducing energy prices, amounting to EUR 370.6 million. This included the following compensation schemes administered by the Ministry of Economy of the Slovak Republic.

Compensation programmes in Slovakia used by EP Group:

Compensation of	Amount (EUR)
energy prices for small electricity and gas consumers	44.8 million
prices of selected tariffs for electricity and gas consumers	239.7 million
gas prices for households	78.3 million
energy prices for selected vulnerable electricity and gas consumers	7.8 million

Other sources of funding for the EP Group holding company included national programmes for regional development and the EU’s TCF and TCTF schemes launched to mitigate the economic impact of Russian aggression against Ukraine (EUR 2.4 million). The NAFTA company received EUR 5.1 million under the hydrogen infrastructure support programme. Several of these companies also received funding from the Recovery and Resilience Plan state aid scheme, primarily for electricity generation from renewable energy sources.

Programmes in Slovakia used by EP Group:

Programme	Amount (EUR)
IPCEI Hydrogen Technology – Hy2Tech – SLOVAKIA	5,117,452.40
TCF: State aid scheme to support undertakings following Russia's aggression against Ukraine	2,093,733.91
OP II – National project “Support of vulnerable households through compensation of their energy costs”	563,589.7
TCTF: Prolongation of and amendment to the scheme	403,934.94

8. Germany, Italy and United Kingdom Are Playing Along

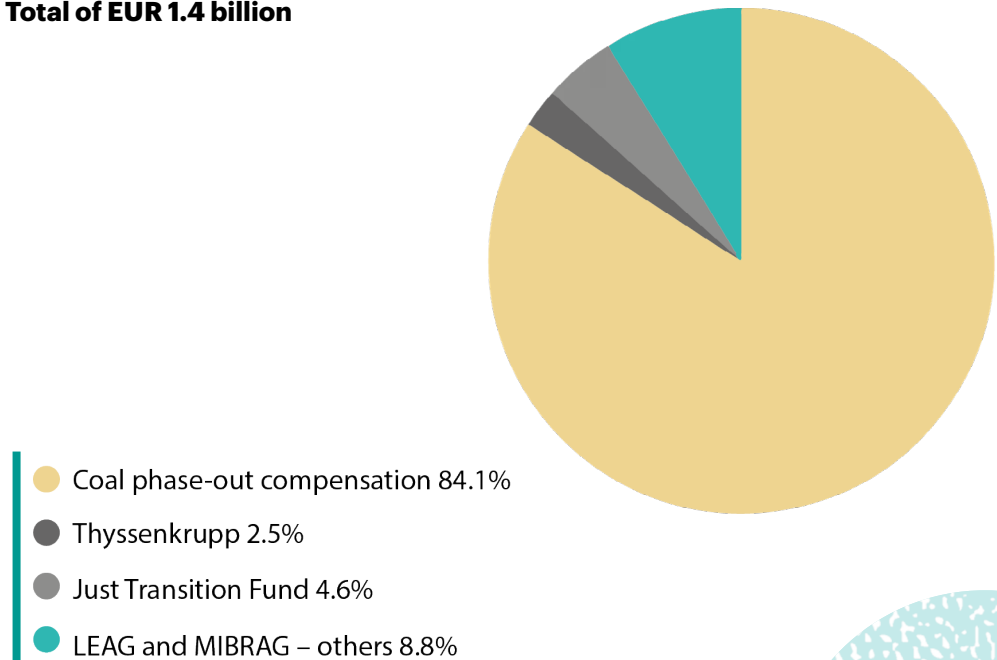
Regarding subsidies to Daniel Křetínský's companies, Germany is undoubtedly the most significant of the other European countries. The list of subsidies to the EP Group cannot yet be considered final, and we will update the figures for Germany in the near future. Even the current data, however, show that Germany is accommodating the Czech oligarch by providing billions in support to his coal companies.

The most widely reported subsidy of this type is the coal phase-out compensation granted to LEAG. Initially set at EUR 1.7 billion, the amount was later reduced by the European Commission to EUR 1.2 billion.⁵¹ German coal companies had lobbied for this compensation by threatening the

government with international arbitration under the Energy Charter Treaty.⁵² Additionally, Křetínský's companies have received other substantial subsidies in recent years. So far, our analysis has identified state subsidies totalling EUR 191 million⁵³, of which EUR 66 million came from projects financed by the Just Transition Fund.⁵⁴ We also decided to include subsidies for Thyssenkrupp, in which Daniel Křetínský acquired a 20% stake in May 2024. We calculated subsidies received by this company from that date onwards. In this short period alone, Thyssenkrupp received EUR 35.2 million, mostly in support for research projects and energy efficiency improvements.⁵⁵

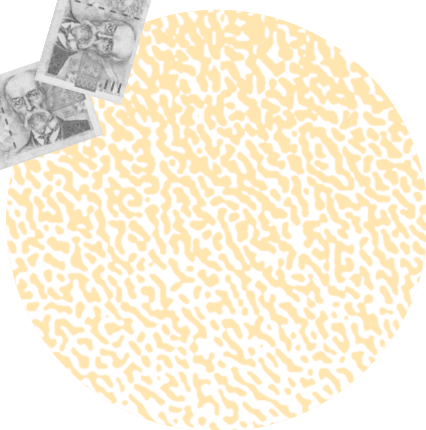
Subsidy structure in Germany

Total of EUR 1.4 billion



We have already described most of the subsidies from Italy and the United Kingdom in the chapters on capacity mechanisms and biomass. In these countries, both Daniel Křetínský and Pavel Tykač receive public funds primarily through capacity mechanisms for their power stations, with Křetínský additionally benefitting from subsidies for biomass-fired facilities. Beyond these mechanisms, we identified several further cases of public financing for fossil fuel businesses. In Italy, for example, Křetínský's company EP Produzione received a state-backed financial guarantee of EUR 5.6 million in 2020 from Banca del Mezzogiorno MedioCredito Centrale, an institution that is a part of the Italian Ministry of Economy.⁵⁶ The guarantee was provided under one of the subsidy programmes launched during the COVID-19 pandemic.

In the United Kingdom, Křetínský's company Humbly Grove Energy Limited, which operates a gas storage facility, received a subsidy of GBP 150,000 in 2024 to improve environmental protection.⁵⁷ In 2017, his Eggborough power plant obtained a direct subsidy of GBP 12.6 million.⁵⁸ As for Pavel Tykač, it is worth noting that in 2021 his U.S. company Blackhawk Mining received a USD 32 million subsidy from the U.S. federal government to support coal mining development.⁵⁹





9. Conclusion: Let's Subsidize Shared Wealth, not Private Profits

Our analysis demonstrates the extent to which Daniel Křetínský's EP Group holding company relies on public funds across Europe. To a lesser extent, this also applies to Pavel Tykač's Sev.en Energy. Although the list of all direct subsidies to the businesses of Czech coal barons is not yet definitive and will be refined further, it is already clear that this represents an extreme case of the privatization of profits and the socialization of losses – costs ultimately borne by society as a whole.

While public money supports the profits of a handful of super-rich individuals, investments are not being channelled into the transition to clean energy sources or into public services such as education and healthcare. The development of local economies, particularly in coal-mining regions, as well as affordable housing are systematically neglected. Key social sectors remain underfunded, even as tens of billions in public funds flow to oligarchs' bank accounts.

Subsidies to fossil fuel corporations intensify the climate crisis and deepen social inequalities thereby undermining both climate stability and social cohesion. Building a more sustainable and equitable economy requires halting this transfer of resources to the wealthiest and redirecting funds towards renewal. Achieving this will inevitably involve a political confrontation with the interests that currently profit from the destruction of shared resources. The following steps point the way forward:

1 Limit the influence of fossil fuel lobby

The logical first step is to curtail the influence of fossil fuel lobbyists on policy decisions. Analyses

by Corporate Europe Observatory show that climate policy has become a primary target of corporate lobbying.⁶⁰ It is therefore necessary to confront the fossil fuel industry's influence in the same way as the tobacco lobby was challenged in the past. We consider it essential to restrict the political power of the fossil fuel lobby in energy policymaking. Moreover, fossil fuel companies must be barred — on the basis of clear criteria — from lobbying on climate policy, and advertising of fossil fuels should be prohibited.⁶¹

2 End subsidies for fossil oligarchs

A decisive step is to end all subsidies for fossil fuels. The Czech Republic should advocate restructuring of the Modernization Fund and the Just Transition Fund so that municipalities, small businesses, and energy communities are the primary beneficiaries, rather than fossil fuel industrialists and their new projects. Capacity mechanisms have also proven problematic: cleaner solutions must be pursued to improve grid flexibility, including energy storage, expanding cross-border interconnections through cable infrastructure, and flexible demand management.⁶² If such measures fall short, the state must step in to safeguard grid stability — we generally view stronger public sector involvement in energy as essential for a just transition. Finally, subsidy schemes for biomass combustion must be redesigned to ensure they neither contribute to further

environmental destruction nor enable the concealing emissions.⁶³

3 Invest in public services and community energy instead of fossil fuels

Subsidies which currently flow to fossil fuel oligarchs must be redirected to sectors that directly improve people's lives — sectors that today suffer from severe underfunding. These include education, healthcare, social care, and the development of public services, especially in disadvantaged (often coal-mining) regions. Where subsidies are intended for the energy sector, priority must go to renewable energy projects owned by communities or municipalities.

4 Return key energy infrastructure to public ownership

The energy and climate crises are the outcome of failed privatization policies and the transformation of strategic sectors into markets subordinated to profit maximization. In response to unethical practices by many companies — not only in the energy sector — an opposing trend is gaining momentum: the return of key infrastructure to public ownership through buyouts or expropriation in the public interest.⁶⁴ A growing body of research shows that the private sector alone cannot be relied upon: it is not investing in the energy transition at the necessary pace and only does so when incentivized by governments.⁶⁵

As a matter of fact, numerous current examples demonstrate that the public sector is capable of making strategic investments.⁶⁶ Addressing the climate crisis and ensuring affordable energy must take precedence over prioritizing private ownership at all costs — especially when the actions of private owners directly threaten the public interest. Power stations and transmission and distribution networks can be brought back under public control. This process of so-called remunicipalization primarily concerns former municipal enterprises and local networks. Expanding the role of the public sector in energy would not only accelerate decarbonization but also help guarantee affordable energy for consumers. It is therefore essential to support a wide range of initiatives: municipal and state-owned enterprises reclaiming heating plants and other energy companies, national governments regaining control of critical infrastructure, and states developing their own energy capacities.

About Re-set

Re-set: Platform for Socio-Ecological Transformation is a Czech organization that uses research, education, and public engagement to support efforts for a more sustainable and just society. We develop and popularize concepts for a social, ecological and democratic economy, we investigate causes of social and ecological problems, and we look for solutions.

We support bottom-up initiatives and work with social movements that strive for a good life for all in diverse fields. We help people get organized and promote their interests together. As part of the Beyond Fossil Fuels campaign and in our Climate Justice programme, we conduct research and organizing activities to support the rapid phase-out of coal and other fossil fuels and the transition to a new energy system based on decentralized and democratically controlled renewables.

The report *Freeloaders: How Public Money Endows Coal Tycoons' Private Profits* was published by Re-set: Platform for Socio-Ecological Transformation in September 2025.

Text**Analysis:****Consultants:****Translation****Graphic design:****Typesetting:****Photos:**

Radek Kubala

Radek Kubala, Klára Bělíčková

Veronika Dvorská, Josef Patočka

Petra Valeš Jelínková

von Saten

Kateřina Holá

Matyáš Fritscher a Jakub Hrab

ISBN: 978-80-909229-6-9

This report was made in the project Stop EPH from blocking and delaying the European energy transition supported by the OLIN GmbH foundation.



www.re-set.cz

info@re-set.cz

This system needs a Re-set. Let's do it together! Support our work with your donation:

<https://www.darujme.cz/projekt/1203521>

1 [https://www.thetimes.com/world/europe/article/the-czech-sphinx-speaks-daniel-kre-](https://www.thetimes.com/world/europe/article/the-czech-sphinx-speaks-daniel-kretinsky-on-the-future-of-royal-mail-and-sainsburys-hm2l32sm3)
tinsky-on-the-future-of-royal-mail-and-sainsburys-hm2l32sm3

2 <https://reportermagazin.cz/34487/pripad-kretinsky-z-nuly-na-sto-miliard/>

3 [https://forbes.cz/o-energeticke-krizi-hodnotach-i-zdaneni-zisku-pavel-tykac-ve-vel-](https://forbes.cz/o-energeticke-krizi-hodnotach-i-zdaneni-zisku-pavel-tykac-ve-vel-kem-rozhovoru-po-8-letech/)
kem-rozhovoru-po-8-letech/

4 [https://www.washingtonpost.com/technology/interactive/2025/elon-musk-business-](https://www.washingtonpost.com/technology/interactive/2025/elon-musk-business-government-contracts-funding/)
government-contracts-funding/

5 https://re-set.cz/download/2022/EPH_EN.pdf

6 https://re-set.cz/download/2022/reset_loupez_ONLINE_UP1.pdf

7 [https://www.seznamzpravy.cz/clanek/ekonomika-firmy-kretinsky-poprve-secetl-zisky-](https://www.seznamzpravy.cz/clanek/ekonomika-firmy-kretinsky-poprve-secetl-zisky-v-energetice-jeho-firmy-vydelaly-180-miliard-250631)
v-energetice-jeho-firmy-vydelaly-180-miliard-250631

8 <https://oilchange.org/publications/limits-to-private-finance-approach/>

9 <https://www.tni.org/en/publication/energy-transition-mythbusters>

10 Specific examples for the heating industry can be found in our report “Teplo v našich rukou”: <https://re-set.cz/download/Publikace/Dekarbonizace.pdf>

11 [https://beyondfossilfuels.org/2025/06/26/fossil-gas-free-loaders-capacity-market-](https://beyondfossilfuels.org/2025/06/26/fossil-gas-free-loaders-capacity-market-subsidies/)
-subsidies/

12 [https://beyondfossilfuels.org/2025/02/12/behind-the-mask-investigating-eph-s-coal-](https://beyondfossilfuels.org/2025/02/12/behind-the-mask-investigating-eph-s-coal-exit-claims-2/)
-exit-claims-2/

13 <https://www.eea.europa.eu/en/analysis/indicators/fossil-fuel-subsidies> or [https://oilchange.org/publications/report-countries-could-shift-almost-usd-28-billion-year-from-fossil-](https://oilchange.org/publications/report-countries-could-shift-almost-usd-28-billion-year-from-fossil-fuels-to-jump-start-the-energy-transition-if-they-follow-through-on-their-pledges/)
fuels-to-jump-start-the-energy-transition-if-they-follow-through-on-their-pledges/

14 [https://beyondfossilfuels.org/2025/06/26/fossil-gas-free-loaders-capacity-market-](https://beyondfossilfuels.org/2025/06/26/fossil-gas-free-loaders-capacity-market-subsidies/)
-subsidies/

15 <https://www.journalismfund.eu/biomass-the-green-mirage>

16 <https://red.fs.gov.cz/registr-dotaci/prijemci>, <https://www.hlidacstatu.cz/>

17 <https://www.zakonyprolidi.cz/cs/1999-106>

18 <https://otevrenadata.sfpz.cz/>, [https://webgate.ec.europa.eu/competition/transparen-](https://webgate.ec.europa.eu/competition/transparency/public?id=4296737&lang=cs)
cy/public?id=4296737&lang=cs

19 <https://www.crz.gov.sk/>

20 [https://www.udrzatelne.sk/aktuality/item/371-analyza-zmien-v-dotaciach-do-fosil-](https://www.udrzatelne.sk/aktuality/item/371-analyza-zmien-v-dotaciach-do-fosilnych-paliv-v-roku-2023-a-2024-na-slovensku)
nych-paliv-v-roku-2023-a-2024-na-slovensku

21 <https://www.mvmtresearch.org/>. The analysis was made by Jack Rhodes-Worden.

22 <https://fragdenstaat.de/>

23 <http://OpenData.gse.it>

24 [https://bankwatch.org/publication/keeping-the-flame-alive-with-emission-revenues-](https://bankwatch.org/publication/keeping-the-flame-alive-with-emission-revenues-how-the-eu-modernisation-fund-props-up-fossil-gas-and-waste-incineration)
how-the-eu-modernisation-fund-props-up-fossil-gas-and-waste-incineration

25 The list of subsidies for EP Group in the Czech Republic: [https://drive.google.com/](https://drive.google.com/drive/u/0/folders/1FGwLTiSvO0dXyMN4qg9PngSITrS2I95r)
[drive/u/0/folders/1FGwLTiSvO0dXyMN4qg9PngSITrS2I95r](https://drive.google.com/drive/u/0/folders/1FGwLTiSvO0dXyMN4qg9PngSITrS2I95r)

26 The fact that mostly large companies benefit from the Modernisation Fund was investigated by the Deník Referendum daily: [https://denikreferendum.cz/clanek/237167-tretinu-](https://denikreferendum.cz/clanek/237167-tretinu-dotaci-z-modernizacniho-fondu-obdrzely-tri-firmy-naspinave-projekty)
dotaci-z-modernizacniho-fondu-obdrzely-tri-firmy-naspinave-projekty

27 https://re-set.cz/download/Publikace/Fosilni-plyn_Most-do-klima-kolapsu.pdf

28 [https://www.mfcr.cz/cs/ministerstvo/media/tiskove-zpravy/2023/poslanecka-sne-](https://www.mfcr.cz/cs/ministerstvo/media/tiskove-zpravy/2023/poslanecka-sne-movna-schvalila-statni-rozpocet-pro-53897)
movna-schvalila-statni-rozpocet-pro-53897

29 This applies to United Energy, Plzeňská teplárenská and Elektrárny Opatovice: <https://drive.google.com/drive/u/0/folders/1FGwLTiSvO0dXyMN4qg9PngSITrS2I95r>

30 <https://drive.google.com/drive/u/0/folders/1FGwLTiSvO0dXyMN4qg9PngSITrS2I95r>

31 <https://re-set.cz/download/Publikace/Just-Transition.pdf>, <https://re-set.cz/download/Publikace/Principy-pro-spravedlivou-transformaci.pdf>, [https://re-set.cz/aktuality/192-ze-spra-](https://re-set.cz/aktuality/192-ze-spravedlive-transformace-se-v-cesku-stava-cerna-dira-na-penize-upozornuji-clenove-nove-platformy)
vedlive-transformace-se-v-cesku-stava-cerna-dira-na-penize-upozornuji-clenove-nove-platformy

32 https://drive.google.com/drive/u/0/folders/1Tp-thy96C-uHW5B-KjXlKAA_SgOgA_u

33 <https://denikreferendum.cz/clanek/35726-pavel-tykac-statem-vydrzovany-oligarcha>

34 <https://powertica.com/energie/aktuality/2024/20240313.html>

35 [https://forbes.cz/budete-dotovat-me-uhelne-elektrarny-nebo-je-mam-vypnout-pta-](https://forbes.cz/budete-dotovat-me-uhelne-elektrarny-nebo-je-mam-vypnout-pta)

-se-cechu-pavel-tykac/
36 <https://beyondfossilfuels.org/2025/06/26/fossil-gas-freeloaders-capacity-market-subsidies/>
37 https://beyondfossilfuels.org/wp-content/uploads/2025/01/20250123_Aurora_BFF_CRM-Report_final.pdf
38 <https://oenergetice.cz/elektrina/kapacitni-mechanismy-zachrana-pro-klasickou-energetiku>
39 <https://ekonom.cz/c1-67595940-vyhled-legislativy-v-oblasti-energetiky>
40 <https://www.e15.cz/podcasty/business-club/stat-chysta-kapacitni-platby-pro-plynov-ky-budou-mezihrou-mezi-uhlím-a-obnovitelnými-zdroji-1415630>, https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Downloads/design-proposal-for-a-combined-capacity-market.pdf?__blob=publicationFile&v=1
41 <https://re-set.cz/download/Publikace/Klimatick%C3%A1%20bomba%20v%20srdci%20Evropy.pdf>
42 <https://biomassmagazine.com/articles/13334/enviva-to-supply-pellets-to-lynmouth>
43 <https://www.nytimes.com/interactive/2022/09/07/world/europe/eu-logging-wood-pellets.html>
44 <https://www.journalismfund.eu/biomass-the-green-mirage>
45 For the calculation, we used data provided by the OpenData.gse.it server, and we included subsidies received after the acquisition of the given power station by EP Group: https://drive.google.com/drive/u/0/folders/1ed19dXJMGgJPR0j4erOYPj5jx_ACwZ6f
46 <https://dp.lowcarboncontracts.uk/dataset/actual-cfd-generation-and-avoided-ghg-emissions>, https://drive.google.com/drive/u/0/folders/1ed19dXJMGgJPR0j4erOYPj5jx_ACwZ6f
47 <https://energynews.pro/en/france-restart-of-the-gardanne-biomass-power-plant-scheduled-for-early-2025/>
48 https://drive.google.com/drive/u/0/folders/17nnL_SOquv4yoE_-6nUImqTMcAm1gWsA
49 https://drive.google.com/drive/u/0/folders/17nnL_SOquv4yoE_-6nUImqTMcAm1gWsA
50 <https://www.udrzatelne.sk/aktuality/item/371-analyza-zmien-v-dotaciach-do-fosilnych-paliv-v-roku-2023-a-2024-na-slovensku>
51 <https://table.media/en/europe/news-en/eu-commission-makes-leag-compensation-partly-conditional>
52 https://www.globaljustice.org.uk/wp-content/uploads/2022/04/CoalRansom_ECTGermanCoalPhaseout_Apr2022.pdf. For more on Energy Charter Treaty: <https://denikreferendum.cz/clanek/32130-energeticka-charta-ochrankyne-fosilniho-prumyslu-ktera-nici-klima-i-demokracii>
53 <https://drive.google.com/drive/u/0/folders/116i3l-BHPfHljBVECl-cisJR2kSZ3Wj>
54 https://www.parlamentsdokumentation.brandenburg.de/starweb/LBB/ELVIS/parlادو-ku/w8/drs/ab_1200/1206.pdf
55 <https://drive.google.com/drive/u/0/folders/116i3l-BHPfHljBVECl-cisJR2kSZ3Wj>
56 <https://drive.google.com/drive/u/0/folders/1D2i55UaPXGJv5mNFZqTBOIQNYcoRRKYj>
57 <https://searchforuksubsidies.beis.gov.uk/searchresultsawardroute/?page=16051>
58 <https://drive.google.com/drive/u/0/folders/1D2i55UaPXGJv5mNFZqTBOIQNYcoRRKYj>
59 <https://subsidytracker.goodjobsfirst.org/subsidy-tracker/us-blackhawk-mining-llc>
60 <https://corporateeurope.org/en/2022/10/fuelling-cost-living-crisis>
61 <https://banfossilfuelads.org/>
62 For more on demand-side response, see: <https://oenergetice.cz/elektrina/demand-side-response-dsr>
63 As an example, see FERN suggestions: <https://www.fern.org/publications-insight/beyond-bioenergy/>
64 <https://re-set.cz/download/Publikace/Dekarbonizace.pdf>
65 <https://www.tni.org/en/publication/energy-transition-mythbusters>
66 <https://www.theguardian.com/commentisfree/2024/feb/27/climate-crisis-private-sector-government-investment>, <https://www.tni.org/en/article/socialising-energy>

