

Energy Community Investors Advisory Panel 2021

How to boost investment in solar and wind?

Introduction

The Investors Advisory Panel, organized by the Energy Community Secretariat, has as its main goal to support investments and investors in the energy sector of the Contracting Parties (CPs) by facilitating a regular exchange of information and views on issues of common interest and concern, including with respect to the regulatory environment needed to trigger investment. The Investors Advisory Panel brings together investors, public institutions, incumbent companies, regulatory authorities, banks, donors and other stakeholders.

Recent changes in the European energy sector characterized by a more ambitious pathway toward a decarbonized future, that will soon be reflected in the CPs, will require large investments in the energy sector in order to support the energy and environmental goals of the Union and its neighbouring countries. Electrification of different energy sectors like transport and heating, coal phase-out that is expected in the following 10 to 20 years, intensive integration of renewable energy sources, introduction of hydrogen as an energy carrier and other actions will have to be supported with billions of Euros of investments in the areas of electricity production, transmission, distribution and consumption, gas/hydrogen network, including also large investments in modern technologies like smart grids and energy storages.

The main means to achieve this goal will be renewable energy sources, especially grid-scale projects based on wind and solar energy. It is expected that their integration into the existing and future power system, and their operation based on market conditions, will effectively replace the present fossil fuels based technologies. Due to the significant share of coal-fired power plants in the CPs, which will hopefully be phased-out in the following years, it is expected that a large amount of renewables projects will be implemented in order to keep the existing security of supply level. Investments in this area will have to be accelerated and directed into the best projects, while all kinds of obstacles and burdens will have to be diminished and finally removed.

This panel will focus on the obstacles that need to be overcome to boost renewable energy investments.

Panel's objectives

The main goal of this panel is to support investments and investors in renewables, especially wind and solar, by facilitating an exchange of information and views on issues of common interest and concern, including with respect to the regulatory environment needed to trigger investment. The panel will bring together investors, public institutions, incumbent companies, regulatory authorities, banks, donors and other stakeholders.

Discussions on the legal framework will not be included in the scope of this panel since this is already being covered by other activities of the Secretariat.

The main topics proposed to be discussed in the panel are:

Introductory remarks – moderated by Dirk Buschle

- objectives of the panel,
- introduction of the participants,
- short introduction on the Secretariat's activities related to RES,
- future trends in the power systems and market developments, carbon pricing, decarbonisation, EU green deal.

Topic 1: Administrative procedures and permitting process – discussion moderated by Naida Taso

- duration of a permitting process,
- area occupation plans, existence of these plans, possibilities for changing, number of institutions involved in changing the plans, etc.
- the number of necessary permits,
- environmental and social impact assessment, clarity of the requirements, obligations, public consultations
- the number of involved institutions, the (lack) of coordination between them, state vs. local institutions involvement; clear roles, duplications, clear pathways to obtain the needed permits
- transparency of the permitting process,
- possible ways of simplifying the processes,
- one-stop institution, etc.

Topic 2: Grid connection issues – discussion moderated by Davor Bajš

- ten-year and short-term transmission and distribution development plans – treatment of renewables,
- grid connection studies (requests, possible difficulties),
- grid connection costs,
- network development costs assigned to the investors, transparency issues,
- grid connection approval, connection and operation contracts,
- quotas for wind power plants, solar power plants and other renewables, power system integration challenges,
- the number of projects competing to be connected, mutual influence, ways to handle this from system operator's and investor's perspective,
- time adjustment between RES facility construction and network reinforcements,
- early technology choice decision required/lack of flexibility/ and impact on grid connection approval,
- connection codes requests with regard to RES (difficulties to satisfy these requests if any, influence on the costs) and testing operational period, etc.

Topic 3: Flexibility and system balancing issues – moderated by Naida Taso & Davor Bajš

- obligations of RES facilities regarding balancing and impact on their operation,
- balancing costs,
- (non) existence of a balancing market and minimisation of costs,
- possible curtailments and mutual obligations between RES facilities owners and system operators,
- possible problems with market design.