

1st meeting Renewable Energy Coordination Group

Vienna, 2 March 2016

The meeting was opened by Director of the Secretariat Janez Kopač. He welcomed the participants and outlined the objectives in renewable energy in the Energy Community and purpose of re-establishing the working group on renewable energy to advance the implementation of the Directive 2009/28/EC as adapted and adopted by the Ministerial Council in 2012 to ensure convergence with the activities in the European Union and COP21 achievements.

The representatives of European Commission participating in the meeting, João Héredia (DG ENER) and Davor Kunc (DG NEAR) greeted the participants and expressed the European Commission support to the RE Coordination Group activities to increase investments in renewable energy projects and to put the Contracting Parties on track to meet the 2020 targets.

The Secretariat presented the status in promotion of renewable energy in the Energy Community and warned about the slow progress in transposition and implementation that might hinder Contracting Parties of reaching the targets in 2020. A special note was put on still unresolved issue with biomass data in the official statistics in some Contracting Parties and on the lack of progress in the transposition of sustainability criteria that would lead to non-consideration of biofuels consumption to count to targets achievement. The Secretariat presented the way forward on fostering the completion of legal and regulatory framework to meet the renewable energy policy objectives, including the start of the activities in the RE CG during 2016-2017.

João Heredia (DG ENER) presented the perspectives of renewable energy policies in the EU starting from the worldwide trends to outlining the Energy Union activities in the work programme during 2016. He presented the main pillars and the phases of the EC proposals for a RE legal framework post 2020 and the recently issued EU guidance on RES self-consumption highlighting the focus on consumers at the core of Energy Union.

The revised agenda of the 1st meeting was adopted. Absence of the RE CG member from Bosnia and Herzegovina, Mrs. Biljana Trivanovic was noted.

1. Work Programme 2016-2017

The draft Work Programme 2016-2017 was presented by the Secretariat outlining the key four activities: the reform of the support schemes, the implementation of RE Directive, the RE framework post 2020 and cross-cutting activities.

The draft Work Programme was presented for discussions. The members of the RE CG requested more time for assessment expressing in the same time concerns about its ambitious to meet the proposed objectives. The RE CG members were given two more weeks, until 17 March 2016 to submit comments and proposals to lead the 9 core topics proposed in the two years programme.

The Secretariat invited the members of the RE CG group to propose a RE CG Chair. Upon the lack of any proposal from the RE CG members in the meeting, the Secretariat submitted the proposal of Prof. Miloš Banjac (with his acceptance in absence), the representative of Serbia to be elected as RE CG Chairman. The proposal was voted with unanimity.

2. The way forward in promotion of renewable energy

The key topic in promotion of renewable energy in the upcoming period will be the reform of the support schemes for renewable energy in the Contracting Parties to bring them in compliance with State Aid Guidelines and with the principles of the internal market. The requirements in the State Aid

Guidelines for environmental protection and energy 2014-2020 were presented by the Secretariat. It was followed by the presentation of the CEER report on “Key support elements of RES in Europe: moving towards market integration”. The example of the design and results of tendering schemes for PV in Germany shared the knowledge gained and the lessons learned from this competitive approach on granting the support for renewable energy producers. In order to meet the 2020 renewable energy targets in the most cost-effective way, in 2016, the Contracting Parties will be guided on how to design the electricity market model to ensure the integration of renewable energy based on feed-in premium as well as the introduction of the competitive process for granting the support to renewable energy producers.

3. Progress towards the 2020 RES targets

The Contracting Parties were invited to briefly present the status of implementation of Renewable Energy Directive and the upcoming activities to ensure the indicative trajectories are met. The Contracting Parties present in the meeting, except Serbia, and Georgia as the only Observer country shared the updates with the audience.

Two presentations from UNECE and KfW highlighted the need to a more integrated view on hydropower development in order to ensure a regional approach to investments, mitigating the impact on the food-water-transport-ecosystem nexus.

Upon the proposal of KfW, the Contracting Parties supported the proposal to develop a regional hydro master plan to assess on individual river basins the ecological potential for hydropower development for the Energy Community. The Secretariat will coordinate the submission of joint applications to the WBIF in the new call for proposals in September 2016, as confirmed by DG NEAR.

4. Update on ongoing and planned Donors support

Two presentations highlighting the role of biomass in the energy demand in the EU and in the Contracting Parties put the focus on the need to tackle the significant contribution of biomass amounting to two-thirds in the gross final energy consumption in the Energy Community. The Biomass based heating study aims to identify viable investment options and policy measures to increase the use of biomass for heating in the region in a sustainable manner. The project financed within the WBIF envisaged to be finalised in June 2016 will include the roadmap on biomass based heating for the Western Balkans. RECG will ensure that the policy recommendation will be followed with concrete actions for implementation as well as discussions on pipeline of potential investment projects.

In terms of Donors support, DG NEAR recalled the solutions developed by the Regional Energy Efficiency Programme for the Western Balkans (REEP) and managed by EBRD including credit lines for small renewable energy projects by public or private borrowers (WeBSEFFII) and supplemented by additional funds for direct financing in medium scale renewable energy projects (WeBSEDF). Also, the Green for Growth Fund initiated by the EIB and KfW as the first specialized fund based on innovative public-private partnership aiming to reduce energy consumption and CO₂ emission through the advance of energy efficiency and renewable energy projects in Southeast Europe was recalled as appropriate financial instruments available with EU support.

EIB and EBRD presented their approach on providing finance and expertise for sound and sustainable investment projects in Contracting Parties of the Energy Community and beyond in the context of market integration of renewable energy.

The 1st RE CG meeting closed after the conclusions and the announcement of the proposed next meeting planned for 9-10 November 2016 in Vienna were made.