

Support Scheme for RE: Status quo in the Contracting Parties

9th Renewable Energy Coordination Group meeting

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Support scheme for RE in the Energy Community Contracting Parties

- Almost all CPs (except recently joined Georgia) have introduced, in most cases very generous, feed-in tariffs for RE projects
- Although those mechanisms were recommended and necessary to boost RE development and reach set targets, it is time to move forward to new, market based support scheme
- Some CPs have already introduced market based support scheme in their legislation, some even held first RE auctions (Albania, Montenegro, North Macedonia), while some are still in a process of development of new scheme (BiH, Georgia, Kosovo*, Serbia)



Support scheme for RE in the Energy Community Contracting Parties

Contracting Party	FiT	Legislation for market based support scheme for RE	Implemented auctions
Albania	√	√	√
Bosnia and Herzegovina	√	X	X
Georgia	X	X	X
Kosovo*	√	X	X
Moldova	√	√	X
Montenegro	√	√	√
North Macedonia	√	√	√
Serbia	√	X	X
Ukraine	√	√	X

Feed-in tariffs in the CPs



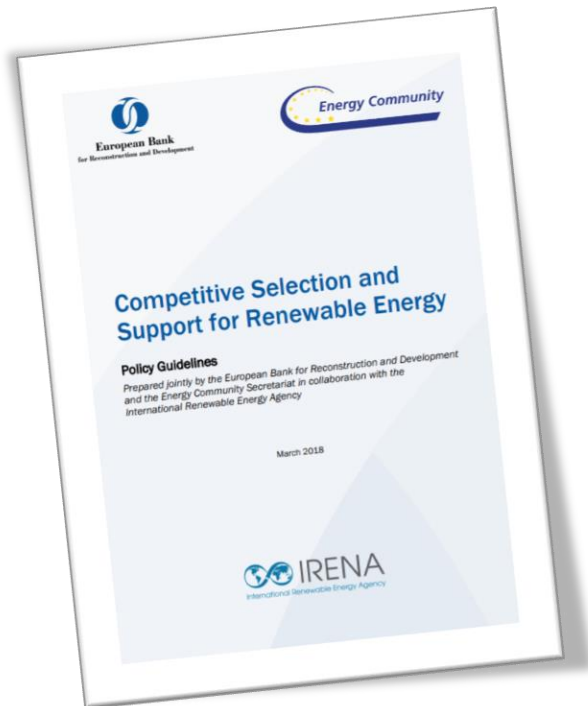
Contracting Party		Solar PV (€/MWh)		Onshore wind (€/MWh)	Hydropower(€/MWh)
Albania		100 (up to 2 MW)		76 (up to 3 MW)	50.35 (up to 15 MW)
BiH	Federation of Bosnia and Herzegovina	210 - 93 (23 kW - 1 MW)		190 – 73 (23 kW – 10 MW)	140 – 60 (23 kW – 10 MW)
	Republika Srpska	On objects 110 - 77 (50 kW - 1 MW)	On the ground 87 (up to 250 kW)	-	71 - 57 (1 – 10 MW)
Georgia		-		-	PPA
Kosovo*		136,4		85	67.47 (uo to 10 MW)
Moldova		91,7 (up to 1 MW)		-	-
Montenegro		120 (up to 1 MW)		96 (up to 1 MW)	Calculated based on the methodology
North Macedonia		-		89 (up to 50 MW)	120 - 45
Serbia		On objects 124 - 146 (0,03 – 0,5 MW)	On the ground 90	92	126 - 75 (0.2 – 10 MW)
Ukraine		On objects 147,5	On the ground 135,2	90,5 – 51,7	94,2 – 157,2 (up to 10 MW)

Legal basis for auctions

- **Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources**, Article 4
- According to the **Guidelines on State aid for environmental protection and energy 2014-2020 (2014/C 200/01)**, as a rule:
 - Aid for new electricity capacity from renewable energy sources should be granted in a **competitive bidding process** on the basis of clear, transparent and non-discriminatory criteria to installations with an installed electricity capacity bigger than **1 MW** and **6 MW or 6 generation units** for wind (paragraph (126) and (127)).
 - Standard balancing responsibility should be introduced to all installations with an installed electricity capacity bigger than **500 kW** and **3 MW or 3 generation units** for wind (paragraph (124) and (125)).
- There may be certain exceptions defined in accordance with the Directive and Guidelines.

Policy Guidelines on Competitive Selection and Support for Renewable Energy

- Prepared jointly by the Energy Community Secretariat, EBRD and IRENA
- Published in March 2018
- Aim is to provide key design principles that should be adopted to competitively set the level, and select the recipients, of public support for renewable electricity



- The arrangements should deliver support for RE at the lowest feasible cost, and greatest efficiency;
- The arrangements should deliver the desired level of renewable energy deployment in the desired timeframe;
- The arrangements should be transparent, open, predictable and objective;
- The arrangements should minimise market distortions.

Changes needed in the CPs to move forward with auctions

Contracting Party	Proposed action
Albania	Amendments to RE Law and update of secondary legislation
Bosnia and Herzegovina	Adoption of the Reform of support scheme package in both entities to enable auctions
Georgia	Adoption of the secondary legislation arising from the RE Law
Kosovo*	Amendments to Energy Law to enable auctions for RE
Moldova	Amendments to RE Law and implementation of first auctions
Montenegro	Adoption of secondary legislation on auctions to provide more clarity
North Macedonia	Update of secondary legislation to provide more clarity on auctions (calendar and criteria)
Serbia	Amendments to Energy Law to enable auctions for RE
Ukraine	Resolution of dispute about restructuring support mechanism for RE projects and implementation of first auctions



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FOR YOUR ATTENTION

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