



State of Play of Renewables in the Energy Community – Where are we and where are we going?

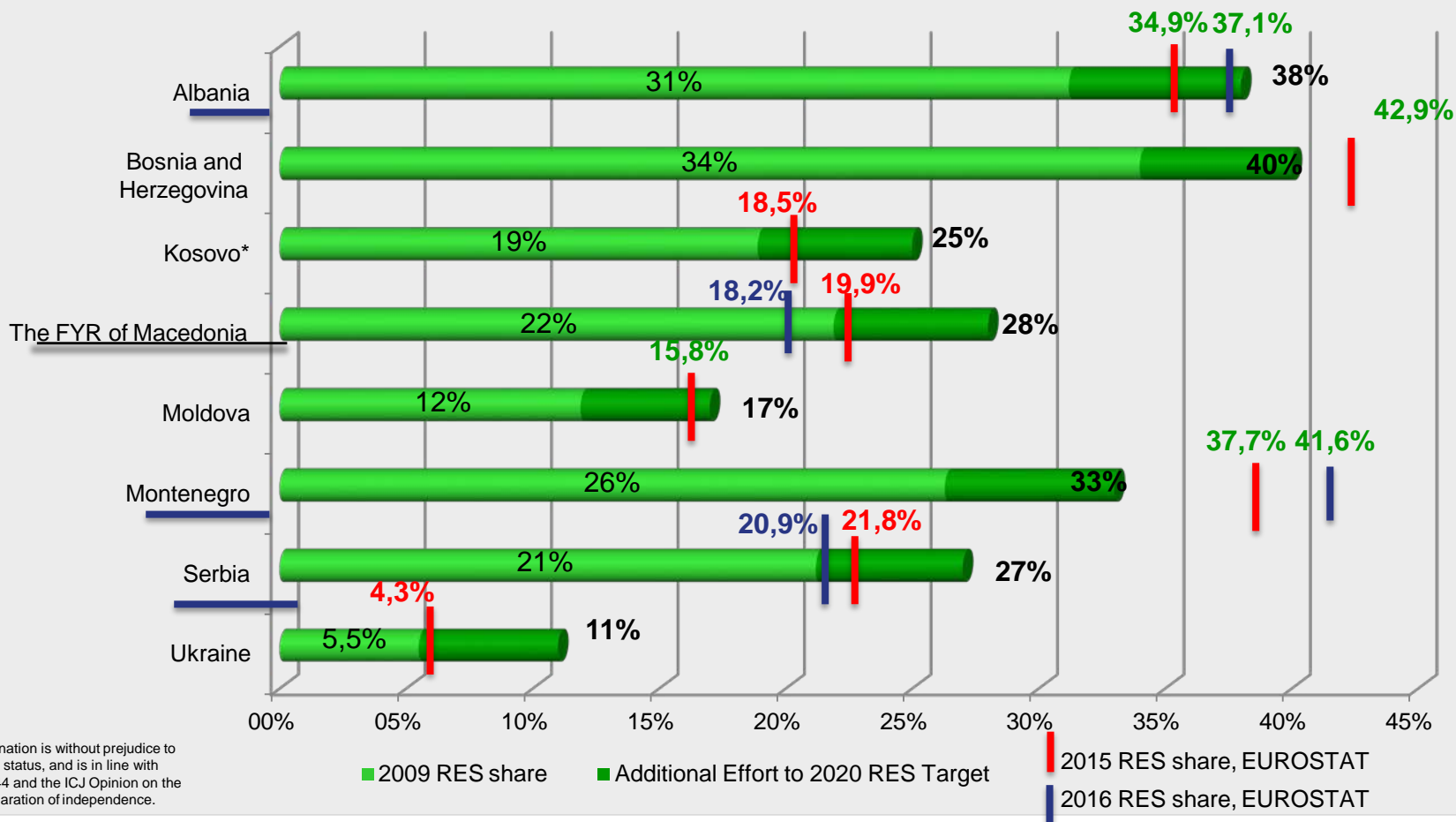
Energy Community Parliamentary Plenum

European Parliament, 24 April 2018



- *EU Renewable Energy Directive 2009/28/EC was adopted in Energy Community in 2012 with 2014 as the implementation deadline.*
- *The Directive determines the Contracting Parties' binding national targets to be achieved through the use of renewable energy in the electricity, heating and cooling, and transport sectors by 2020.*
- *A similar methodology as for the EU Member States was applied for determining the targets.*
- *Where do we stand today?*

RES Target Progress I



* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.

RES Target Progress II

Contracting Party	Status	Action
Albania	<i>On the trajectory</i>	<ul style="list-style-type: none"> - Review RES technology objectives in National Renewable Energy Action Plan - Introduce RES auctions for large RES
Bosnia and Herzegovina	<i>Above the target</i>	<ul style="list-style-type: none"> - Introduce RES auctions for large RES
Georgia	-	<ul style="list-style-type: none"> - Adopt RES legislation and introduce auctions for large RES
Kosovo*	<i>Below the trajectory</i>	<ul style="list-style-type: none"> - Review the RES technologies in National Renewable Energy Action Plan - Amend the legislation and introduce RES auctions
Former Yugoslav Republic of Macedonia	<i>Below the trajectory</i>	<ul style="list-style-type: none"> - Amend the legislation and introduce RES auctions
Moldova	<i>On the trajectory</i>	<ul style="list-style-type: none"> - Introduce RES auctions
Montenegro	<i>Above the target</i>	<ul style="list-style-type: none"> - Amend the legislation and introduce RES auctions
Serbia	<i>Below the trajectory</i>	<ul style="list-style-type: none"> - Review RES technology objectives in National Renewable Energy Action Plan - Amend the legislation and introduce RES auctions
Ukraine	<i>Below the trajectory</i>	<ul style="list-style-type: none"> - Amend the legislation and introduce RES auctions - Revision of biomass data

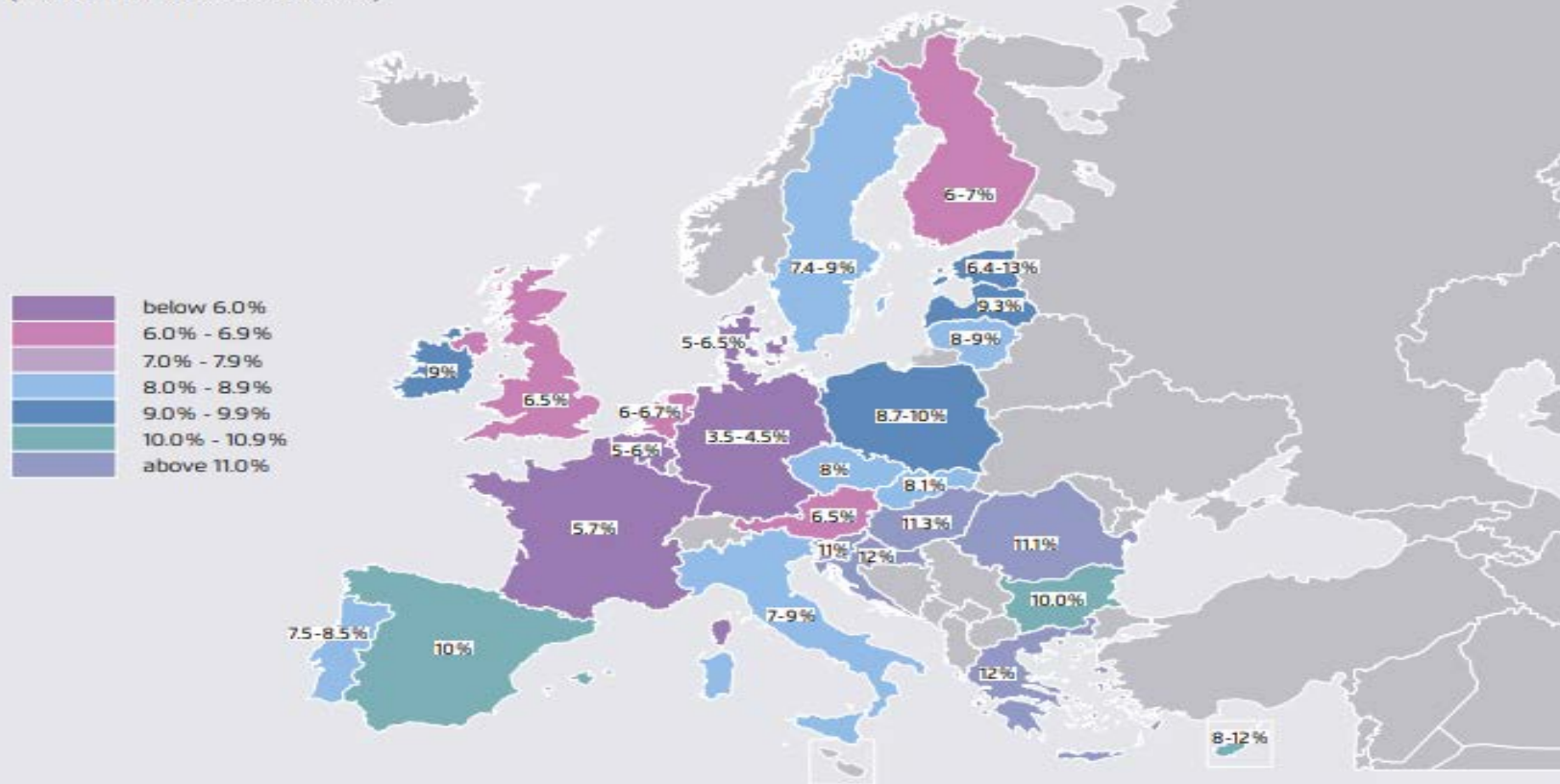
- ***Fossil fuel subsidies vs. RES subsidies***
- ***High country risks – high capital costs***
- ***Expensive feed-in tariffs, resistance to auctions***
- ***Underestimated state aid***
- ***No job transformation policy, no hope for fossils***
- ***Resistance to introduce electricity regional market***

Energy subsidies in the WB6

Contracting Party	Estimated fossil fuel subsidies (% of GDP) 2005-2009	Energy subsidies (% of GDP) 2015
Albania	7-8%	1.9%
BiH	9-10%	37%
FYR of Macedonia	8-9%	18.7%
Kosovo*	35-36%	N/A
Montenegro	10-11%	16.7%
Serbia	7-9%	34.7%

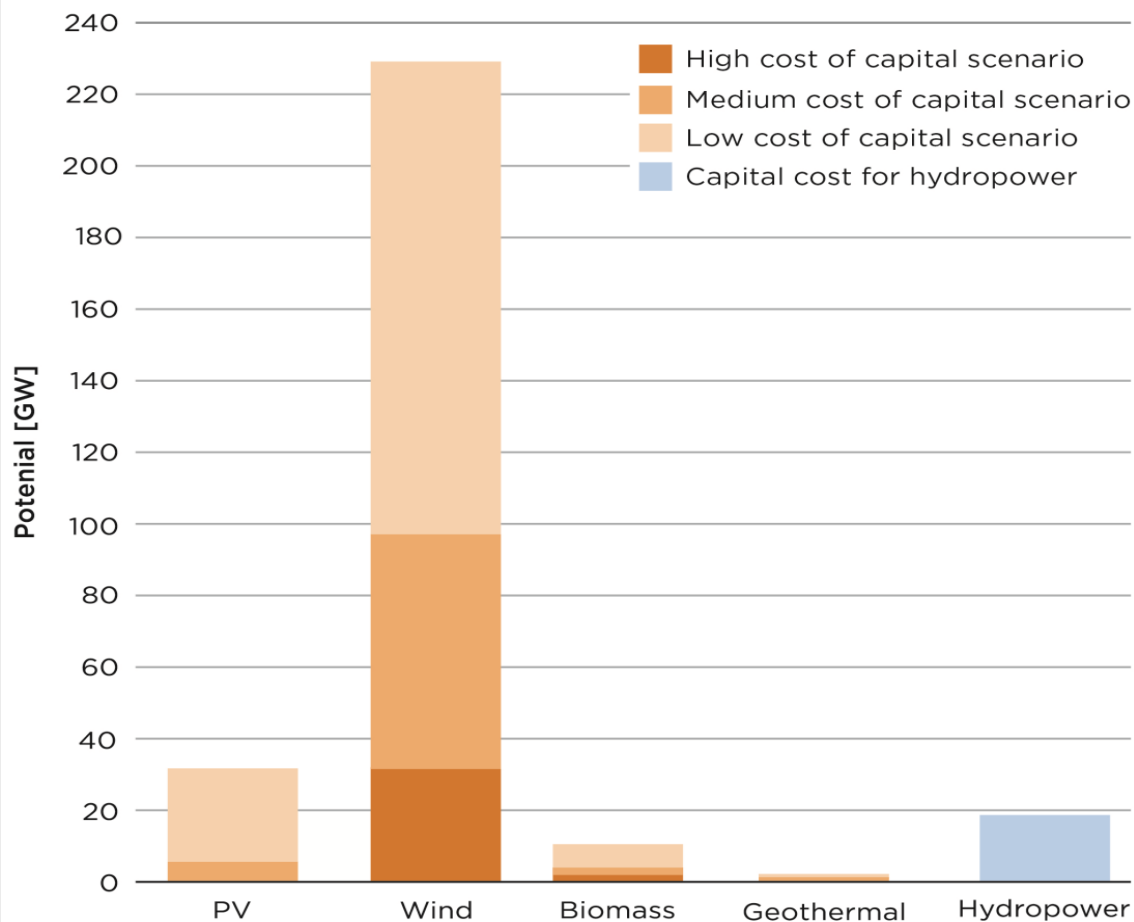
Source: adapted from 'Fossil Fuel Subsidies in the Western Balkans', UNDP, 2011 and REN 21 "Renewable Energy Status Report", UNECE, 2017

WACC across the EU-28
(interview results for onshore wind)



DIA-CORE (2016) "The impact of risks in renewable energy investments and the role of smart policies"

Impact of cost of capital in CESEC region



Support for Renewable Energy in the WB6

Contracting Party		PV	Wind	Biomass	Hydro	Biogas	Waste	Geothermal	PPA	Links
Albania		10	7,6	-	5,63	-	-	-	15 yrs.	http://www.ere.gov.al/doc/Tarifate_e_mirat_uara_nga_ERE_Prill_-_Dhjetor2017.pdf ; http://www.ere.gov.al/doc/VENDIM_NR.12_0_2017.pdf
BiH- FBiH		27,2 - 15,78	17,86 - 7,1	16,1 - 11,61	14,84 - 6,33	36,37 - 14,26	-	-	12 yrs.	http://www.ferk.ba/ba/images/stories/2017/prilog_1_odluka_gc_bs.pdf
BiH-RS	FiT	15,06 - 10,3	8,45	21,53 - 11,55	7,87 - 6,36	12,28	-	-	15 yrs.	http://www.reers.ba/sites/default/files/FeedInPrices_RES_290616.pdf
	FiP	11,07 - 6,32	4,21	8,1 - 7,32	3,63 - 2,12	-	-	-		
Kosovo*		13,64	8,5	7,13	6,747	-	-	-	12 yrs. except hydro 10 yrs.	http://ero-ks.org/2016/Vendimet/V_810_2016_eng.pdf
FYR of Macedonia		16 - 12	8,9	15	12 - 4,5	18	-	-	15 yrs. - PV, biomass, biogas; 20 yrs. – wind, hydro	http://shpp.moepp.gov.mk/Upload/Dokument/EN/uredba-za-povlasteni-tarifi.pdf
Montenegro		12	9,61	13,71 - 12,31	10,44 - 6,8	15	9	-	12 yrs.	http://www.oie-res.me/index.php?page=uredbe-i-pravilnici
Serbia		14,6 - 9	9,2	13,26 - 8,22	12,6 - 7,5	18,33 - 15	8,57	8,2	12 yrs.	http://www.mre.gov.rs/doc/efikasnost-izvori/Uredba%20o%20podsticajnim%20merama%20ENG20092016.PDF

Secretariat prepared 9 draft laws + Policy Guidelines



Policy Guidelines on Competitive Selection and Support for Renewable Energy

December 2017



- *Achieve 2020 RES targets and ensure the transition to clean energy in the most cost-effective way*
- *After the adoption of RES Laws, secondary legislation has to follow*
- *Support level is not the only critical aspect in the investment decisions – RES framework is highly important – transparent-predictable-credible*
- *Amending legislation to make RES financially sustainable by introducing a competitive bidding process on RES support for large projects in line with State Aid Guidelines 2014-2020*
 - *Energy Community Guidelines on competitive selection and support for renewable energy*
- *Make RES local (technology non-neutral)*
- *Create a regional electricity market – liberalize national markets*
- *Fight against state aid and fossil fuel subsidies*
- *Sound, reliable energy statistical data is needed to build credible forecasts to 2030 as well as NECP to 2030*
- *Uncertainties on meeting the 2020 RES targets is affecting the 2030 RES target settings*

Sustainability Pillars of the Energy Community Treaty

Acquis on Energy Efficiency

Acquis on Renewable Energy

Acquis on Environment

Acquis on Climate

Preparation of integrated National Climate and Energy Plans from 2018 onwards

Task 1 – Propose an **EU-convergent methodology** to establish overall 2030 targets in the Energy Community Contracting Parties.

Task 2 – Based on the methodology, **calculate** 2030 energy efficiency, RES and GHG emissions reduction targets to be proposed under aligned framework conditions in the Energy Community

Task 3 – Provide a **general evaluation of the impact** (costs and benefits) associated with the fulfilment of the targets



*Thank you
for your attention!*

www.energy-community.org