

Status of IRENA's engagement with South East Europe



Vienna - 12 March 2019

7th Renewable Energy Coordination Group Meeting

REmap CESEC - objectives

- To assess the expected **renewable energy deployment with policies in place until 2030** (Reference case)
- To identify **cost-effective technical options to accelerate renewables** deployment by 2030.
- Assess the role that renewables can play in the long-term **decarbonization of the region.**
- To identify opportunities for **further regional integration of energy systems.**
- To support setting **2030 targets and measures** for implementation



The boundaries and names shown on this map do not imply any official endorsement or acceptance by IRENA.

REmap CESEC - scope

■ Sectors

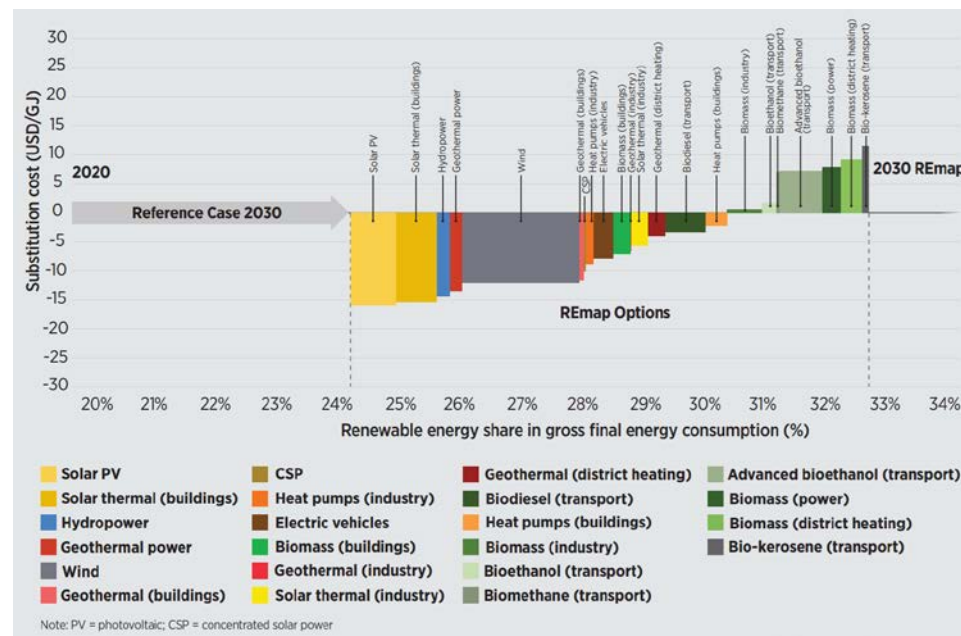
- Power and heat supply
- End-use sectors: buildings, industry, transport.

■ Time horizon

- Detailed analysis to 2030
- Aggregated assessment of RE potential to 2050

■ Portfolio of technology options to accelerate renewables by 2030

- Across all sectors
- Country-specific
- Technology-specific



Sample cost-supply curve from IRENA's REmap analysis for the European Union

REmap CESEC - timeline

- **CESEC Workshops**
 - Kick-off workshop (*October 2018*)
 - Sectorial workshop (*January 2019*)
 - Preliminary findings (*Q2 2019*)
 - Final workshop (*October 2019*)
- **Ongoing data gathering and exchange with countries**

Sectorial Workshop – Vienna, 31 January 2019

Three sectorial roundtable discussions:

- **Electricity** - with input presentations from the SEERMAP project, Romania and Albania
- **Heating** - with input presentations by TU Vienna, Croatia and Albania
- **Transport** - with input presentations from IRENA and Slovenia



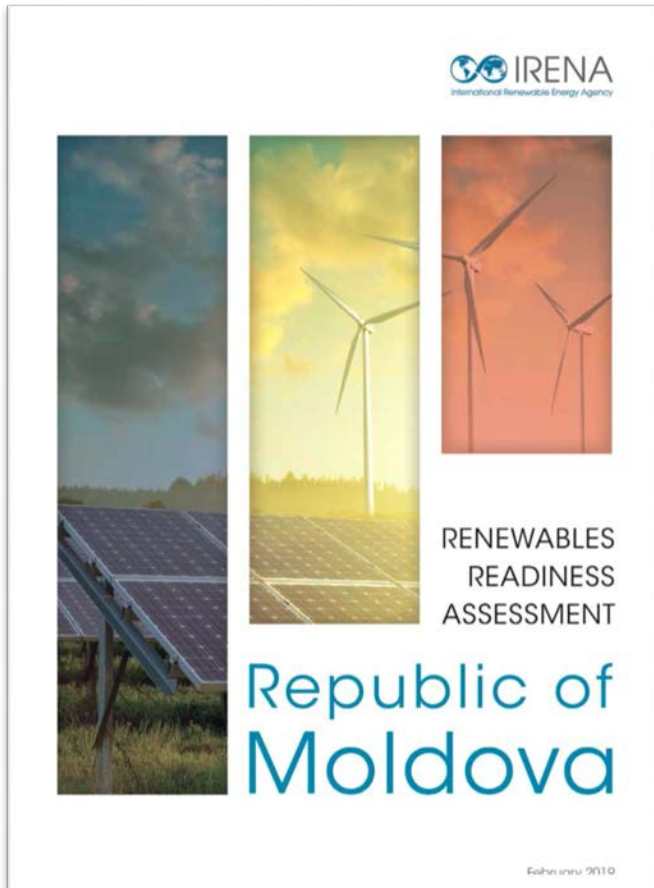
SEE RE Market Analysis

- Present the renewable energy landscape in the region (potential, costs, consumption).
- Focus on the **biomass** sector, potential, production and end-use.
- Assessment of the **RE finance**: investment trends, evolution of the capital mix, key financing barriers.
- Present the **socio-economic benefits** of renewable energy in the region.
- Reviews, comments, feedback, suggestions welcome: **External review – April 2019**



Launch – June 2019 in Sarajevo (TBC)

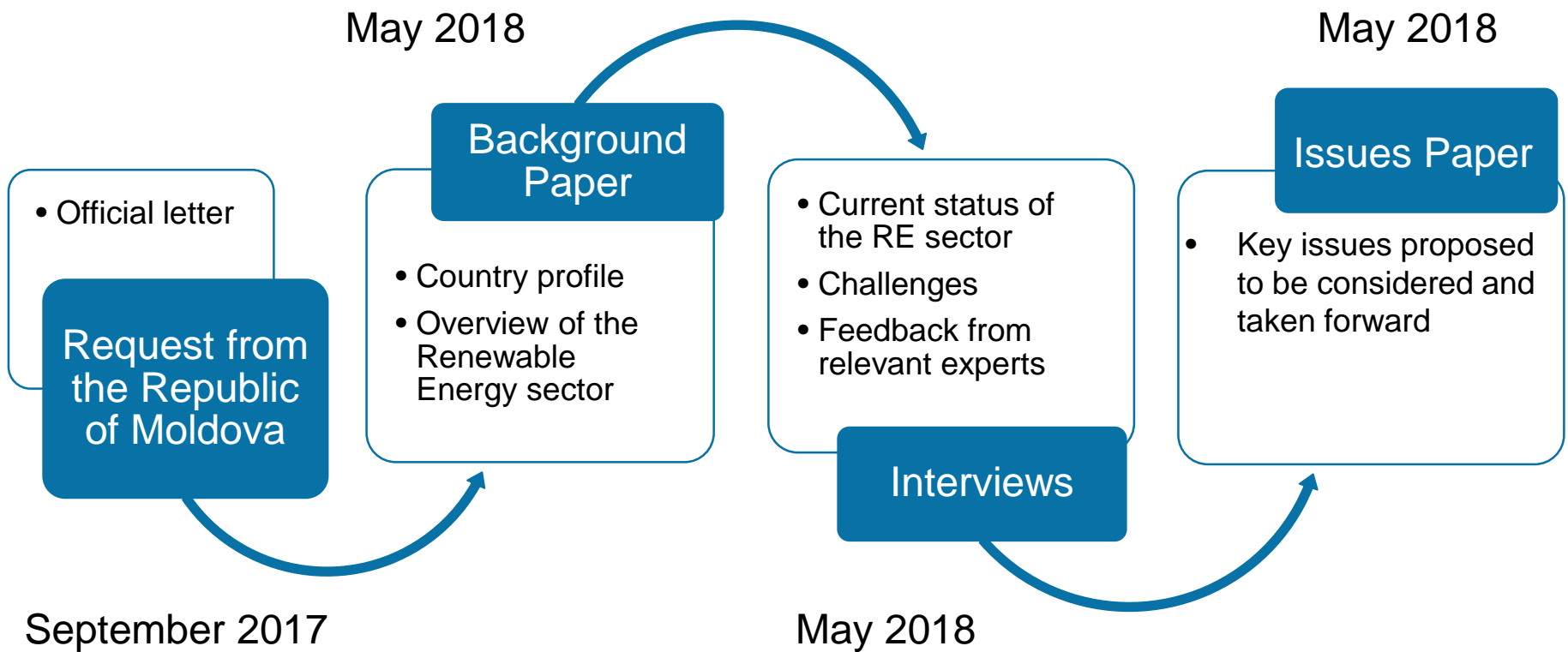
- IRENA's regional workshop focusing on RE socio-economic benefits, RE costs and affordability
- In collaboration with the Ministry of Foreign Trade and Economic Relations of Bosnia and Herzegovina

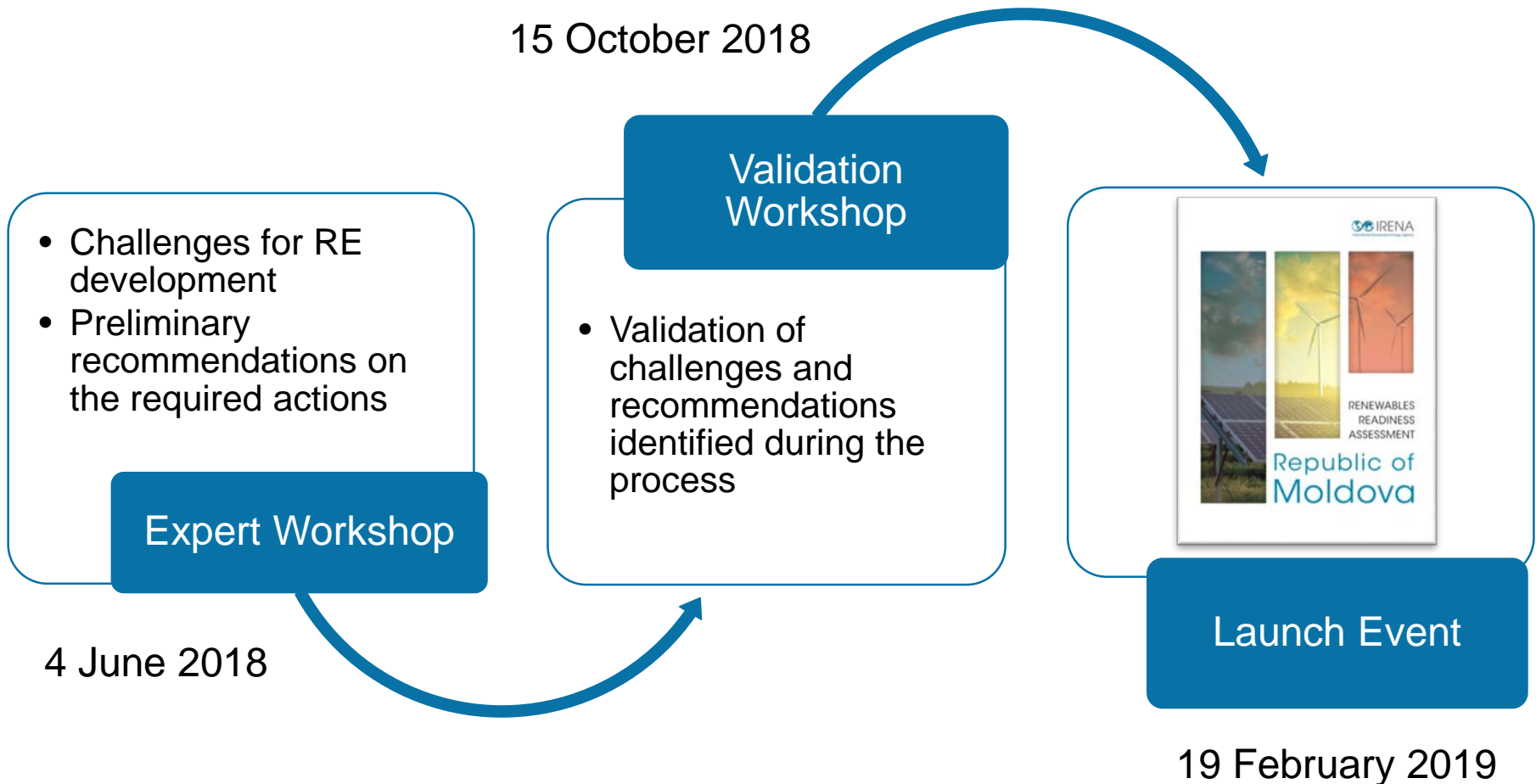


- Comprehensive assessment of the situation on the ground for RE deployment
- Identification of obstacles of policy, regulatory or institutional nature hindering accelerated deployment
- Recommending short / medium-term actions to overcome obstacles
- Country-initiated, country-led process, IRENA acts as a facilitator
- Inclusive and multi-stakeholder process promoting consensus
- Process establishing a basis for future collaboration

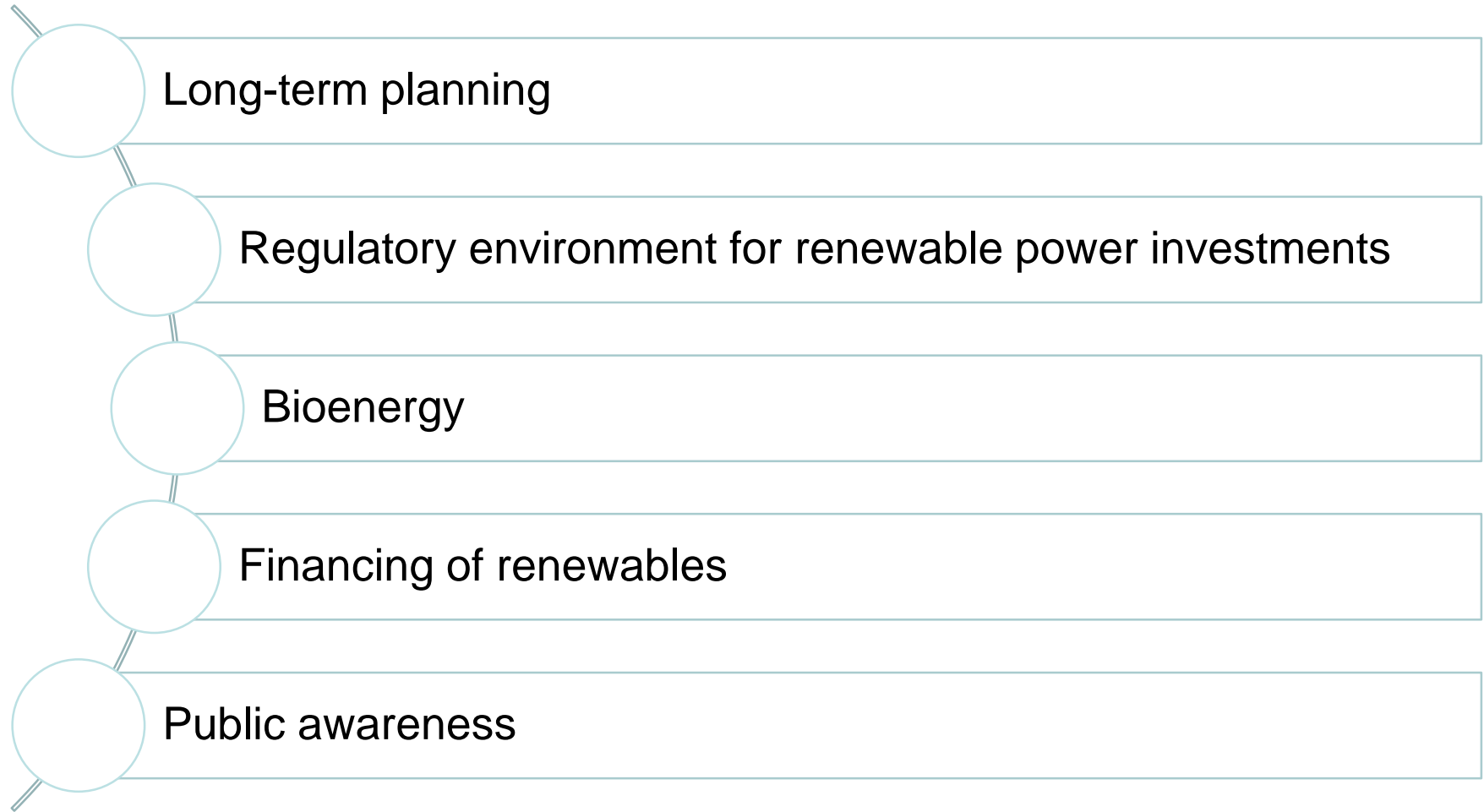
✓ **Next country in SEE - Albania**

RRA Republic of Moldova - Process





Challenges and Recommendations



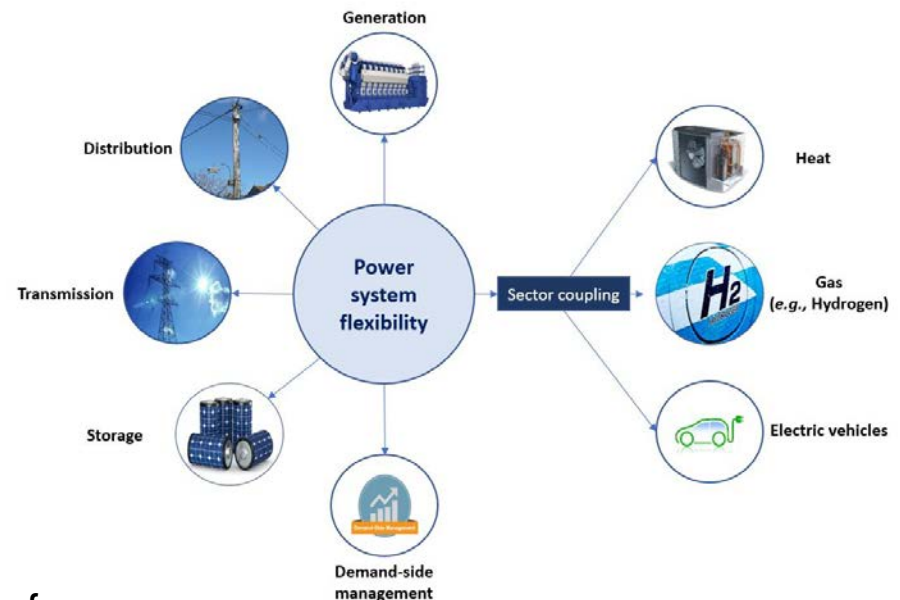
Adopt a renewable energy target for 2030

- To provide long-term predictability
- To reflect the country's vision of the energy sector development
- To emphasise role of distributed generation
- Ongoing efforts of the Energy Community and IRENA to provide support



Conduct a production cost modelling study

- Solar PV and wind are becoming increasingly cost-competitive
- Increased use of variable renewables presents a challenge in generation balancing
- The study will:
 - ✓ Determine any potential operational constraints
 - ✓ Investigate multiple scenarios for the generation mix
 - ✓ Consider expected interconnection and asynchronous operation with Romania
- IRENA's FlexTool supports assessment of power systems' flexibility



Strengthen the enabling regulatory framework

- To ensure smooth implementation of the support schemes
- To guarantee confidence in the government
- To maintain the interest of the investor community

Required elements

Essential secondary legislation

Methodology to calculate feed-in tariffs and ceiling prices

Auction design in line with the international requirements

Facilitated introduction of the net metering scheme

Streamline administrative procedures and facilitate their enforcement

- The lack of co-ordination among key actors
- To clarify and simplify administrative some procedures
- Efforts integrated with the preparation of the National Energy and Climate Plan

Aspects to be taken into consideration

Land use designation

Environmental impact assessment

Taxation

Grid connection permits

Develop a strategy for the bioenergy sector

1

Basis for a country-wide programme

- Inventory of all forest areas as well as marginal and depleted lands
- Assessment of the most promising energy crops and the most feasible locations

2

Current challenges to be addressed

- Land conversion issues
- Land suitability
- Financial support
- Limited role of the local public authorities

3

What else?

- Clarity on the most suitable technology for each potential group of beneficiaries
- Consider higher use of biomass in district heating




Encourage the use of and further develop the online platform for biomass trade

- Effective communication channel
- Increase trade in all types of biomass
- Facilitate market operation and entry of new fuel suppliers
- Enhance fuel price competition and supply liquidity
- Source of information on the benefits from the use of bioenergy



Moldova Energy and Biomass Project
is funded by the European Union and implemented by
the United Nations Development Programme

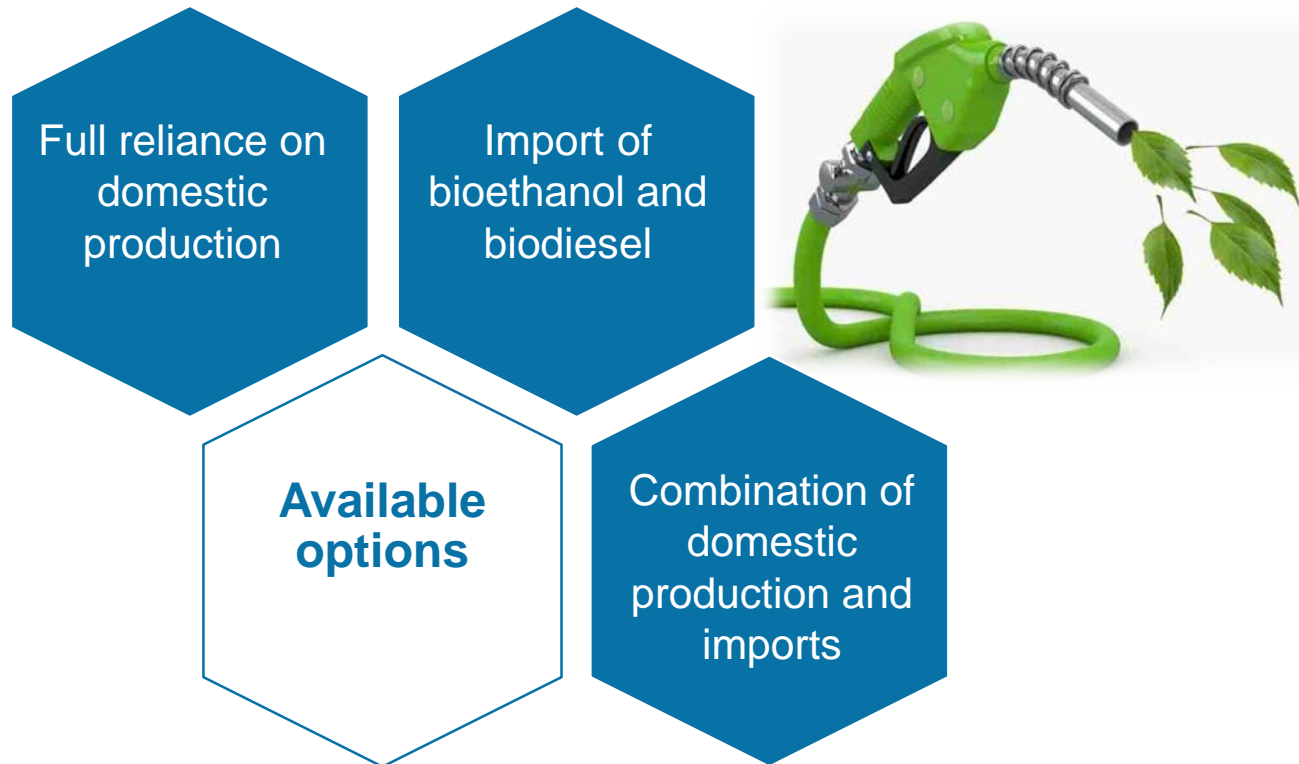


 Public institutions Households **Biofuel** Training and Education Communication Cluster Contacts

Biofuel producers Biomass boilers Quality Assurance Energy Crops Pilot Projects

Identify an optimal pathway to increase the role of biofuels

- TARGET: 10% share of renewables in the transport sector by 2020



Improve the bankability of renewable energy projects

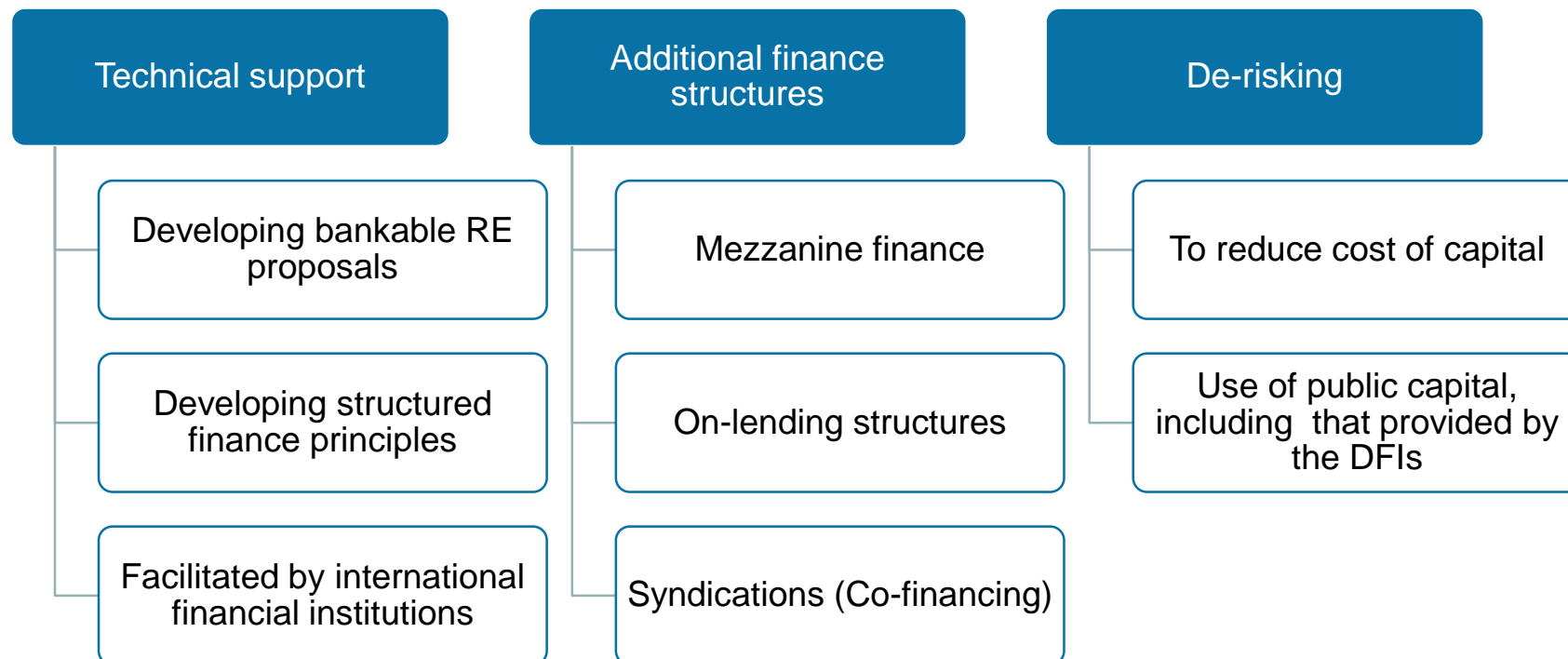
Required actions:

- Enhancement of the templates of the key project documentation, including the power purchase agreement (PPA)
- Procedure for transparent assignment of the central electricity supplier
- Design a procedure for the transfer of all existing RE producers to the support system based on a contract for difference



Enhance the capacity of local banks to facilitate the financing of renewable energy projects

- Small-scale projects are limited to funding opportunities from the local financial market. Expected investments: approx. EUR 50 million for a total of 55 MW.
- Availability of financing may be obstructed by limited knowledge of the RE sector and poor understanding of the support mechanisms.



Develop a national communication strategy on renewable energy sources

Why?

- Public awareness is necessary to influence decisions on the country's future development
- To boost understanding of RE sources and related benefits
- To help consumers making more informed decisions on energy supplies

What does it entail?

- For a variety of stakeholders
- Dissemination of the most up-to-date information on RE and the energy transition (e.g. a dedicated website, translations of authoritative publications)
- Adjustment of the schools' and universities' curriculum
- Intensified government communication efforts on the ongoing legislative changes



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