

Energy Community Refresher

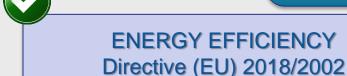
- Under the Treaty, Contracting Parties undertook to:
 - reform energy framework in line with EU law the acquis
 - transpose and implement the acquis within specified deadline
- Non-transposition or non-implementation of acquis:
 - Infringement proceedings, including upon complaints from third parties
 - Example: non-transposition of Electricity Integration Package

Clean Energy Package – 2030 Framework

SUSTAINABLE DEVELOPMENT DIMENSION



GOVERNANCE Regulation (EU) 2018/1999



RENEWABLE ENERGY Directive (EU) 2018/2001





/awaiting the new EPBD/

ENERGY PERFORMANCE of BUILDINGS Directive (EU) 2018/844

Renewable Energy Directive (RED II)

- European Union: Directive 2018/2001, December 2018
- Energy Community:
 - RED II adapted and adopted in 2021 and 2022
 - Transposition & Implementation Deadline: 31 December 2022
- European Union: Renewable Energy Directive amended and recast in November 2023 (RED III)

Main provisions of RED II

- 2030 for Renewable Energy in gross final consumption
 - Art 3 Overall Energy Community: 31% share
 - Target share for Moldova: 27%
 - Art 25 14% for share of renewable fuels in transport
 - Bioenergy sustainability criteria
- Authorisation, certification and licensing procedures Policy Guidelines published by Secretariat in June 2024
- Guarantees of Origin study on Corporate PPAs

Renewable Energy Support Schemes

- Market-based and market-responsive incentives
 - Avoiding unnecessary distortions of electricity markets
 - No Feed-in tariffs
 - Exception: small and demonstration projects
- Support scheme to maximise integration of RES-E in the electricity market
 - Note: no priority access or dispatch for RES-E
- Support granted in an <u>open, transparent, competitive, non-discriminatory</u> and <u>cost-effective</u> manner

Article 4(6) of RED II

- Where support from renewable sources is granted by means of a tendering procedure, Contracting Parties shall, in order to ensure a <u>high project realisation rate</u>
 - establish and publish <u>non-discriminatory and transparent</u> <u>criteria</u> to qualify for the tendering procedure and set clear dates and rules for delivery of the project;
 - Publish information about previous tendering procedures, including project realisation rates

Assessment of support granted by auctions

- Energy Community Secretariat to report to Ministerial Council on performance of support granted by auctions, analysing in particular ability of tendering procedures to:
 - (a) achieve cost- reduction;
 - (c) achieve high realisation rates;
 - (e) limit environmental impact
- European Union:
 - Commission Recommendation of 13 May 2024 on auction design for renewable energy
 - Staff Working Document: Guidance to Member States on auction design for renewable energy

Guidance on auction design

- Rapid, efficient and sustainable deployment of renewables:
 - Announce long-term schedule of auctions
 - Time-line to take account of risk of delays
- Importance of criteria to ensure competitive bidding process
 - To be pre-defined in line with objective of process
 - Minimise risk of strategic bidding: bidders exercising market power to affect outcome of auction to obtain higher revenues
 - Excessively stringent pre-qualification requirements or very low bid ceilings may limit competition and efficiency

Non-price criteria for pre-qualification

- Can take the form of a requirement announced in tender rules, to be complied with after the project is awarded, as part of the contractual agreement with auctioning authority
 - Compliance is checked when project milestones are achieved
 - Auction should include appropriate penalties in case pre-qualification criteria are no satisfied
- Importance of other considerations
 - Tender rules must be clear lack of legal certainty is likely to result in legal challenges, particularly in less mature markets
 "Less mature markets may also benefit from more ambitious non-price
 - "Less mature markets may also benefit from more ambitious non-price criteria to enhance the likelihood of successful implementation and achievement of the policies pursued"





