

**BRINGING EUROPE AND THIRD COUNTRIES CLOSER
TOGETHER THROUGH RENEWABLE ENERGIES**



Background Material for the Advisory Board BETTER project

WP4: West Balkan Case Study

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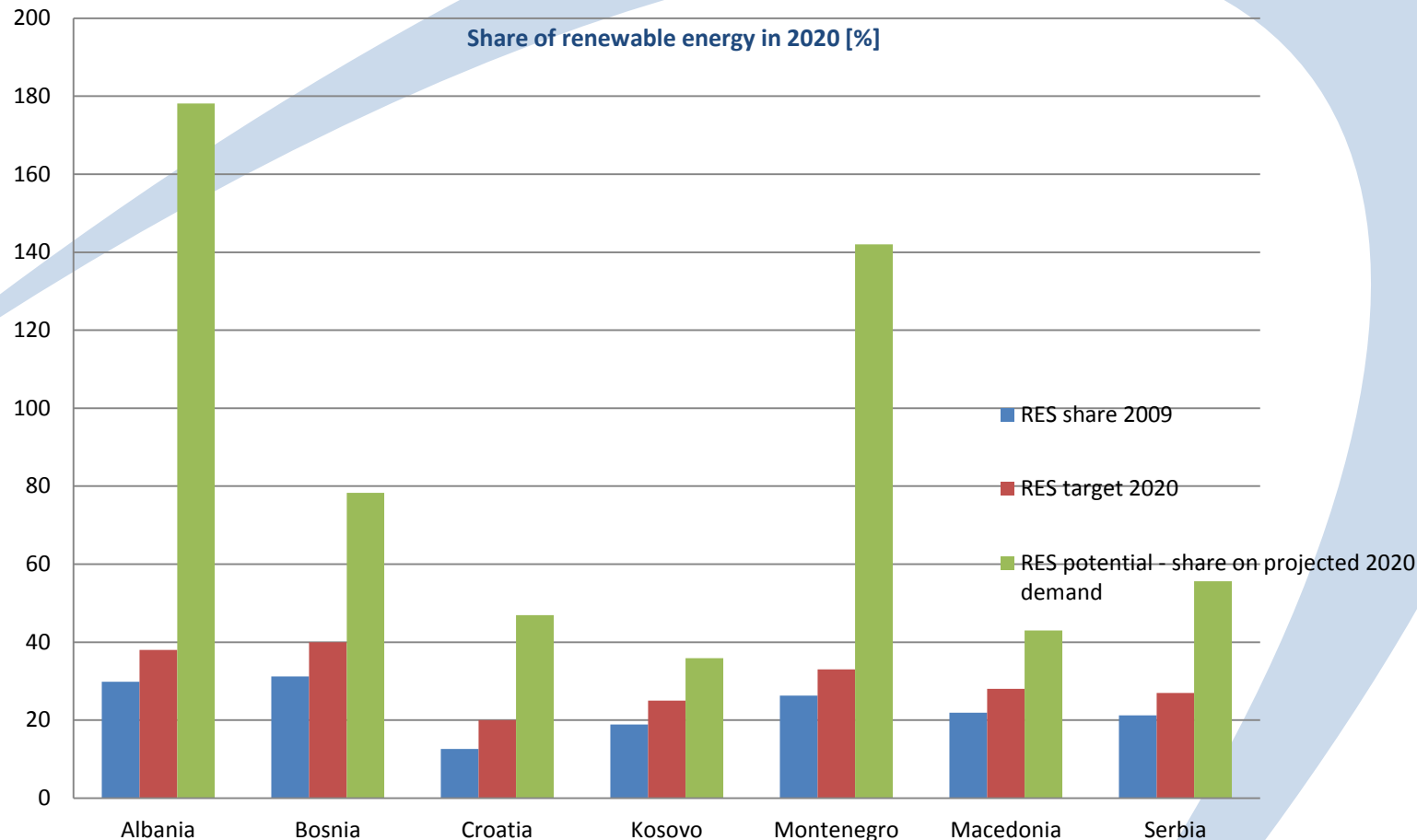
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Large surplus potential in some of the WB countries

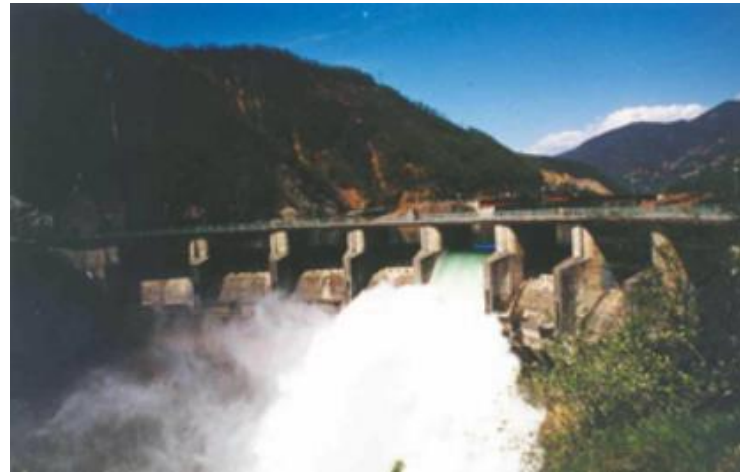


Cheap hydro potentials available



Hydro: 1-3 Million Euro/MW

- Cheap labor force
- Profitable sites available



Adoption of RES directive and RES targets in the West Balkan countries



- The countries covered by the West Balkan case study will be eligible to make use of
 - ✓ Statistical transfers
 - ✓ Joint support schemes
 - ✓ Joint projects between EU Member States and third countries requiring the physical transfer of the involved electricity.



Significant barriers for RES deployment



- Institutional weaknesses
- Legal uncertainty
- Regulatory (electricity price setting, monopolistic structures)
- Administrative complexity
- Uncertainty regarding feed-in tariffs...
->Difficulties to get financing



Cooperation within the region?



- Current lack of cooperation between countries leads to an inefficient regional energy system as opposed pre-1990
- Cooperation between some countries in the region unlikely (eg Serbia and Kosovo), in others cooperation is emerging (Albania and Kosovo, or Macedonia and Kosovo)
- Joint Support schemes however unlikely in the near future



Use of statistical transfer?



- Statistical transfer would have to be approved by the Ministerial Council of the Energy Community
 - Energy statistics and indicative trajectory has to be met.
 - Lack of robust energy statistics a major barrier in the region
- > statistical transfer unlikely in the short term



Several WB countries plan to use cooperation mechanisms



- Initial plans to make use of Joint Projects in Albania and Serbia
 - Albania: interested in Joint Projects: 1500 MW of wind is proposed to be used for Joint Projects
 - Serbia: besides hydro also solar is proposed for Joint Projects



New business opportunities for the West Balkan?



Italy as first mover! Opportunities also for Greece?

Questions



- Cooperation with the West Balkans as part of a broader political and economic agenda?
- What are the barriers to enter these markets from the Greek perspective?
- Long-term opportunities of stronger integration of Greece with the West Balkans energy system?

