

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



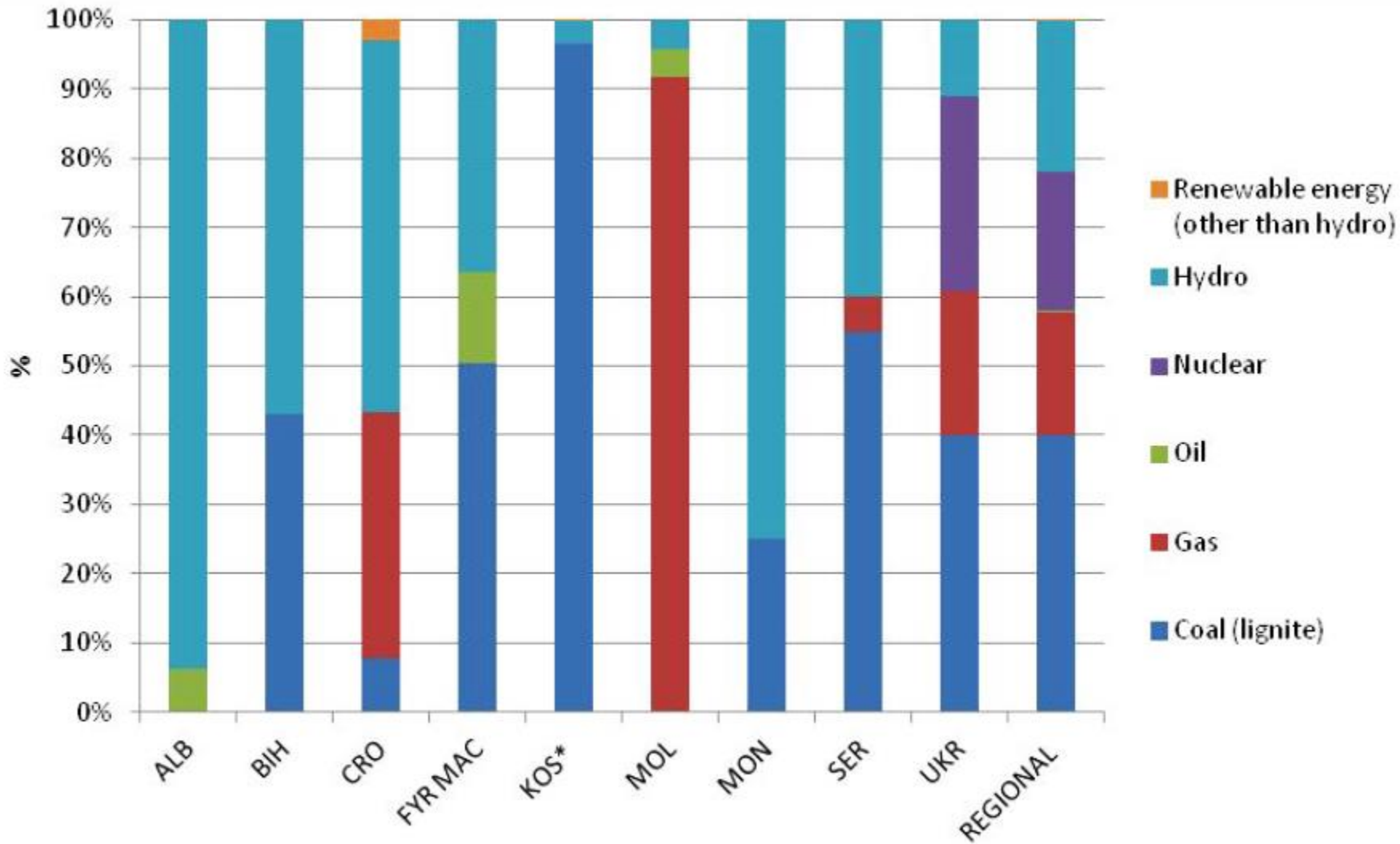
# **Form current Energy Systems, Renewable Energy Action Plans to the cooperation mechanisms**

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# The Region's Current Energy Mix



# National Renewable Energy Action Plans- Capacity increase by 2020



| Electricity Δ GWh  | AL          | BH           | HR             | MK             | KO             | ME            | SR            |
|--------------------|-------------|--------------|----------------|----------------|----------------|---------------|---------------|
| Hydro small        | 1823        | 288          | 219            | 290            | 446,21         | 393,1         | 558           |
| Hydro large        | 3414        | 12904        | 458            | 980            | 398            | 1037          | 581           |
| Geothermal - E     | 0           | 0            | 72             | 0              | 0              | 0             | 7             |
| Solar - E          | 0           | 10           | 59,7           | 33             | 5              | 17            | 13            |
| Wind               | 165         | 300          | 740,9          | 400            | 125,2          | 348           | 1000          |
| Biomass - E        | 186         | 222          | 664,5          | 44             | 37             | 101           | 945           |
| <b>Heat Δ GWh</b>  |             |              |                |                |                |               |               |
| Geothermal - H     |             | 0            | 1045,54        | 430,31         | 15             | 9,8           | 116,3         |
| Solar - H          |             | 1835         | 1086,24        | 46,74          | 143,02         | 39,2          | 58,1          |
| Biomass - H        | 1997        | 7341         | 832,71         | 267,1          | 573,44         | 233,1         | 1023          |
| <b>Total Δ GWh</b> | <b>7585</b> | <b>22900</b> | <b>5178,59</b> | <b>2491,15</b> | <b>1742,87</b> | <b>2178,2</b> | <b>4301,4</b> |

# RES targets in the EnC countries



| Contracting Party      | Share of RES in 2009 (%) | Target Share of RES in 2020 (%) |
|------------------------|--------------------------|---------------------------------|
| Albania                | 31.2                     | 38                              |
| Bosnia and Herzegovina | 34                       | 40                              |
| Croatia                | 12.6                     | 20                              |
| FYROM                  | 21.9                     | 28                              |
| Moldova                | 11.9                     | 17                              |
| Montenegro             | 26.3                     | 33                              |
| Serbia                 | 21.2                     | 27                              |
| Ukraine                | 5.5                      | 11                              |
| Kosovo*                | 18.9                     | 25                              |

# RES targets and resource availability



- Renewable Energy(RES) target (EU, Energy Community) **do not** explicitly **reflect the national resource availability**.
- In order **to allow for cross-border support of renewable energy in a most cost-efficient manner**, articles 6 to 11 of the RES Directive introduce ***cooperation mechanisms***, providing member states as well as third countries with an option to agree on cross-border support of RES.
- By joining forces, **countries may explore potentials which otherwise would have remained untapped**.

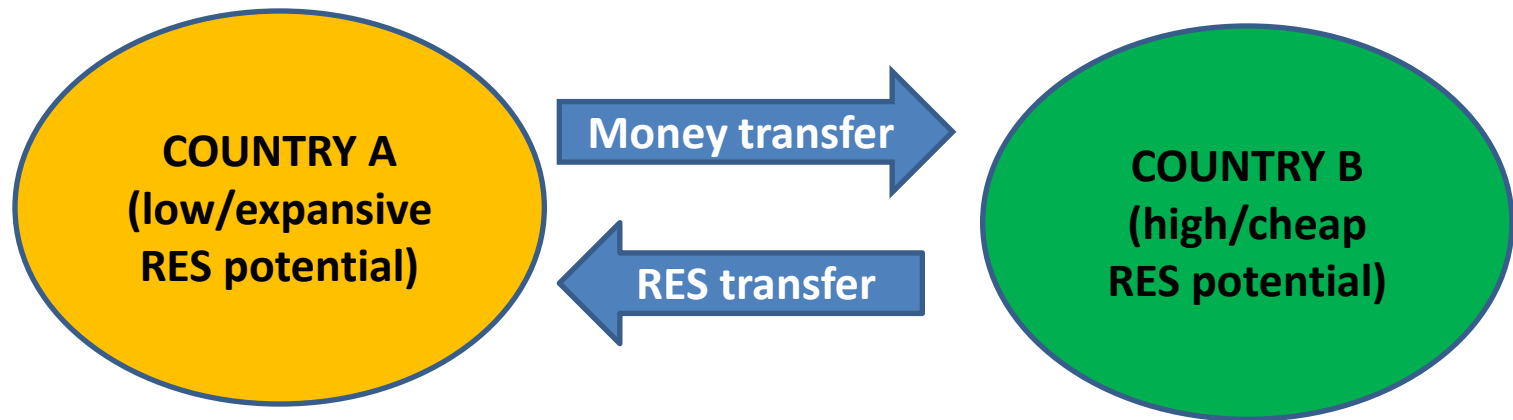
# The cooperation mechanisms



- **Statistical transfers (Art. 6):** MSs may agree to statistically transfer a specified quantity of renewable energy produced from one MS to another. Quantity & price must be notified to the EC/EnC Secretariat
- **Joint support schemes (Art. 11):** two or more MSs agree to coordinate their national support schemes (e.g. Sweden-Norway)
- **Joint projects between MSs and with third countries (Art. 7, Art 9):** two or more MSs may agree to implement a RES project jointly sharing the costs and benefits of a “new project” → sharing of renewable energy

# Basic principles of cooperation mechanisms

- Cooperation mechanisms were introduced to allow countries with high renewable energy potentials and/or low production costs (COUNTRY A) to sell their renewable energy surplus to those countries that have either low renewable energy endowments and/or have higher generation costs (COUNTRY B).



# Initial ideas for cooperation



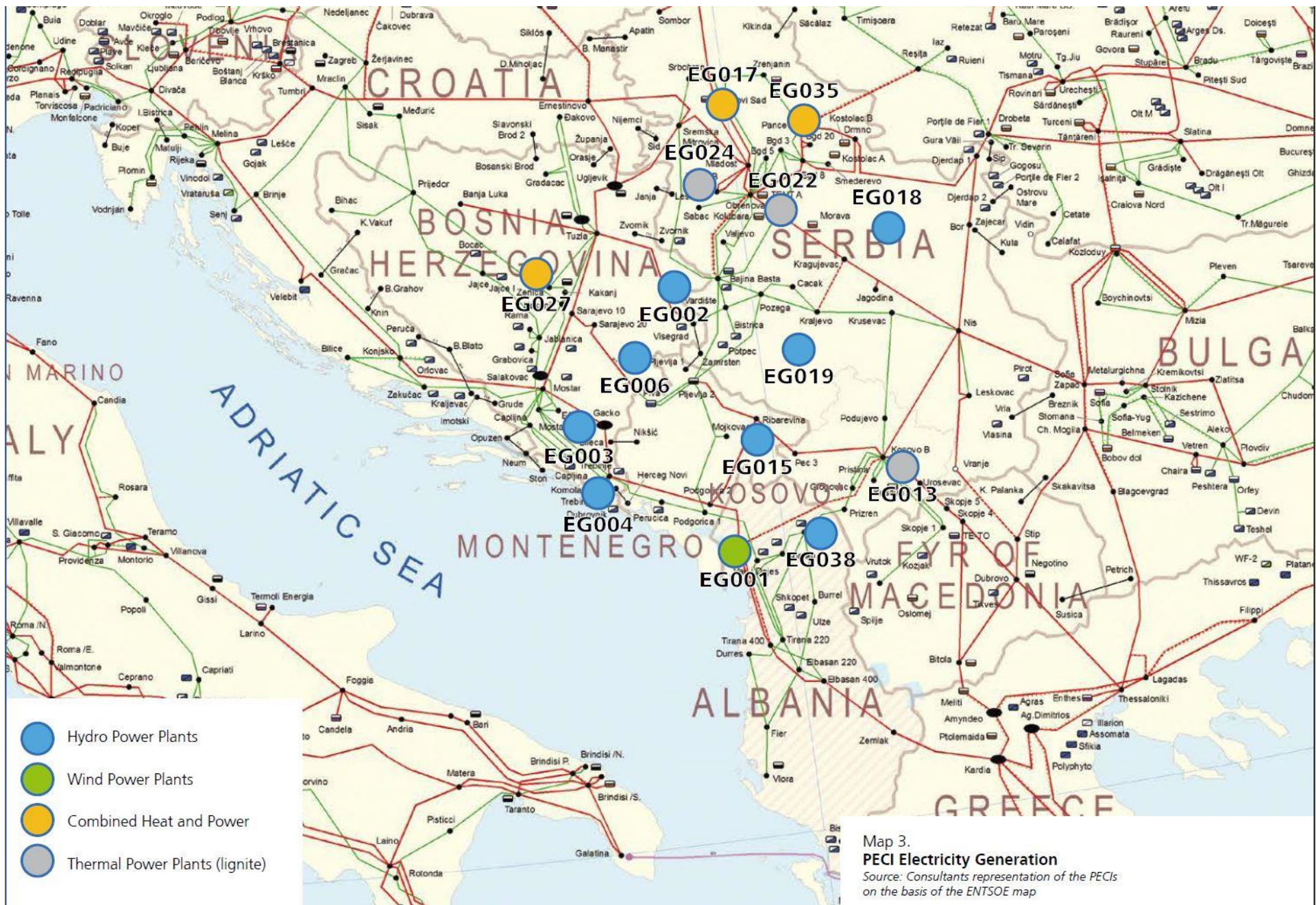
- **Serbia** plans to develop hydro capacity through joint project cooperation with Italy
- **Bosnia** plans Joint Hydro Project with Italy.
- **Kosovo\*** has a bilateral agreement with Albania to help develop its resources, in case of overachievement sell RES shares
- **Albania** had plans
  - to export wind energy to Italy via cooperation mechanisms
  - to use revenues from statistical transfer for biomass projects



# Projects of Energy Community Interest (PECIs)



- PECIs are generation and transmission infrastructure projects:
  - Impact on at least two Energy Community countries,
  - Enhance socioeconomic welfare,
  - Enhance market integration and increase competition,
  - Enhance security of supply,
  - Contribute to energy and climate goals.
- The list of PECIs is to be updated every two or three years.





Map 3.  
**PECE Electricity Generation**  
 Source: Consultants representation of the PECEs  
 on the basis of the ENTSOE map

# Cooperation in the 2030 energy and Climate framework



- EU member states have to develop national plans to define a cost-efficient path to a low-carbon economy best suited to their national circumstances and energy security, compatibility of this path with our common objectives.
- Unclear which role the cooperation mechanism will play but:

## **COUNCIL OF THE EUROPEAN UNION, 2.6.2014**

- **Regional cooperation between Member States in establishing and implementing national plans is essential** to ensure market integration, a level playing field and improved cost efficiency of meeting common objectives.

# Points for discussion



- **What** is the potential for renewable energy cooperation between the West Balkans and with EU member states?
- **What** are specific design options, business cases and the needed framework to make this cooperation attractive?
- **What** are practical and economic synergies among the Action Plans at regional level.
- **What** are the impacts, opportunities and challenges of such cooperation for all parties?

