



Contract N°: IEE/11/845/SI2.616378

***Bringing Europe and Third countries closer together
through renewable Energies***

BETTER

*Minutes of the Stakeholder Consultation Workshop,
22 February 2013, Madrid, Spain*



Project Coordinator: CIEMAT

February 2013



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Project Acronym: BETTER

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*Project Coordinator: **CIEMAT***

*Coordination of the meeting: **Natalia Caldés (CIEMAT)***

*Minutes taken by: **Irene Rodríguez, Marta Santamaría***

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EXECUTIVE SUMMARY

CIEMAT: Welcome and Opening of the seminar

Yolanda Lechón (Head of CIEMAT team)
Natalia Caldés (Coordinator of BETTER project)

Spanish Institute for Diversification and Energy Savings (IDAE): Introduction to Cooperation Mechanism

Sofía Martínez, from IDAE, presents the Cooperation Mechanism (CM) and the role of Spain as a potential exporter country of renewables under CM framework within Member States (MS) and its potential transit country role with third countries. She also explains that the main barrier to implement CM is the lack of interconnection capacity with France.

CIEMAT: Introduction to BETTER project

Natalia Caldés, from CIEMAT, explains the aim of the BETTER project. She concludes that for the successful of the project, besides more research in cooperation mechanisms and in the identification of the win-win circumstances, it is necessary to involve stakeholders in order to provide answers to real problems.

ECN: EU-Res cooperation initiatives (RES4LESS project)

Francesco Dalla Longa, from ECN, presents the results from other research project (Res4Less) that analyzed RES cooperation potentials within Europe. This initiative could be useful for BETTER project since it has aimed at identifying cooperation opportunities to achieve the 2020 targets in Europe with cooperation mechanisms. Francesco Dalla Longa highlighted which are the main barriers for the implementation of the Cooperation Mechanisms: uncertainties about RES targets pot-2020; lack of information about consequences of not fulfilling 2020 RES targets and difficulties in estimating indirect costs.

Jaime Sáenz, from ELECENOR, mentions that achieving the 2020 RES targets may be difficult but not impossible, rather challenging. The number of countries that fail will be an indicator: if there are a high number of failing countries, it will mean that energy policy was badly defined.

Natalia Caldés from CIEMAT asks Francesco about the project results in terms of where are the potential exporting and importing countries (host and user countries).

Francesco Dalla Longa from ECN answers with some examples of some exporting countries (RES4LESS results) like Denmark (Off-shore); Spain (CSP) and Rumania (Biomass) but also Finland (Offshore) or Sweden (Onshore). He says that there are many possibilities; it is needed to find the appropriate countries

TUWIEN: Potentials and benefits of intensified RES cooperation

Gustav Resch, from TUWIEN, explains the benefits of achieving 2020 targets with Cooperation Mechanisms, especially in these countries that would have problems to achieve the 2020 targets. He also says that the willing of Member States is to develop possible cooperation mechanisms but not many actions have been already done.

Maryse Labriet, from Eneris Consulting, asks about the differences between theoretical results of models in the identification of renewable energy surplus and in practice what the countries had expressed through their NREAPS.

Gustav Resch from TUWIEN answers that there could be differences between the country intentions and what they do in reality.

Natalia Caldés from CIEMAT says that when looking at the results from the Res4less project, Spain (which one would expect to be a potential exporter country) appears like importer country because of the low electricity generation costs of others countries, compared to Spanish CSP production surplus generation cost (which is in a less mature stage). We have to be aware that those countries with surplus have to be cost competitive. However, besides the factors that are considered in the model (potentials, generation costs and 2020 RES targets), one must take into consideration many other factors which greatly influence the results.

JR: Design of cooperation mechanism as well as other finance mechanism

Andreas Tuerk, from JR, explains that there exist other financial mechanisms that could contribute to the deployment of RES in third countries. He also prepares some questions (in the presentation) to be answered by stakeholders. One of the questions is about what type of contracts/agreements need to be settled among different stakeholders (government to government; government to private sector; Transmission System Operator, etc)

Sofía Martínez from IDAE says that the European Commission specified that there will not be a RES integrated market at EU level for 2020, but there could be done by bilateral or multilateral agreements between parties.

Álvaro Reviriego, from ACS Cobra, says that only relying on bilateral agreements will be very ambitious. It is necessary to put in place the right framework to make cooperation mechanisms work. There are clear good willing, efforts, intentions and it is also technically feasible, but it is not likely to happen by 2020.

Natalia Caldés from CIEMAT says that putting in place multilateral agreements is a challenge. Despite the Directive was put in place in 2009, very little use of them has taken place.

Sofía Martínez, from IDAE, says that bilateral agreements through statistical transfer are easier to implement but multilateral agreements are more difficult because some countries have no interconnection capacity and transit countries have to agree. For some technologies it will be also difficult (offshore wind). The national targets will influence also: Denmark, i.e., has very ambitious targets thus it is not expected that they will sell out, nevertheless they are collaborative. She informs that by the end of 2013, there will be the

second progress report, may be by 2014-2015. She recognises that she doesn't know if we are going to achieve the 2020 target and what will happen after that. She also says that Spain does not have good interconnection capacity to facilitate physical transfer and this could be a problem for developing cooperation mechanism with other countries.

Jaime Sáenz, from ELECNOR, talks about the convenience of taking the best from CDM experience. Statistical transfer would not work for electricity? Without a market, will cooperation mechanisms work on? For him, this is the key issue.

Maryse Labriet, from Eneris Consulting, agrees that this lack of interconnection capacity is a big problem and a very difficult issue to solve. She asks if the countries are really willing to depend on other countries electricity because there are some risks.

Sofia Martínez from I.D.A.E argues that countries (as Spain) are currently depending on other countries (fossil fuels). In fact, European Union would like to accelerate the EU internal electricity market.

Maryse Labriet, from Eneris Consulting, says that Spain would like to collaborate in cooperation mechanism but in practice it does not work because of the fears, uncertainties and risks.

Jaime Sáenz, from ELECNOR, says that Spain is currently depending on other countries. He states that in order to work, both countries (exporter/importer and if applicable transit countries) have to trust each other.

Sofía Martínez from IDAE, says that Morocco has an ambitious Solar Plan, thus things are happening in North Africa region. Nevertheless, they need to consume the electricity for their own economic growth and expansion. Maybe, it will be necessary to look for another Plan, a more balancing Plan, to develop the electricity system and to develop the Mediterranean ring. In the future, Third countries will be able to export electricity but it will depend a lot on the economic situation. The implementation of Cooperation Mechanisms has to deal with two different views: groups of countries with different development level (developed and developing countries); different kinds of interests (public vs. private). She also says that she is not sure about the possibility of having a good interconnection capacity by 2020. Maybe it is a little ambitious objective.

PIK: Crucial parameters to fully exploit the potential of the cooperation mechanism

Johan Lilliestam, from PIK, presents the three level frameworks (macroeconomic, microeconomic and social) for cooperation mechanism identified within the BETTER project.

Natalia Caldés, from CIEMAT, explains that with these three level frameworks, next step (under the responsibility of CIEMAT Team) is to work on searching indicators and methodologies to quantify the impacts on exporter/importer and transit countries in each level.

Sofia Martínez, from IDAE, says that this output should be sent to the European Commission in order to be used for the Cooperation Mechanisms Guidelines that are under development.

Natalia Caldés from CIEMAT says that these BETTER deliverables has been already sent to DG-Energy to contribute to that process.

José Manuel Nieto, from ACCIONA, says that one of the main barriers to implement Cooperation Mechanisms is the problem to find financing. He asks which could be the mechanisms to guarantee revenues for private investors. He asks if there would be a European warrantee for the investors to reduce the uncertainty of risks.

Johan Lilliestam, from PIK, answers that there are some ways: a European warrantee could be one option but there are others like a European market, which could be a market for few countries (Southern European market, for example) or harmonization systems. He also says that nowadays, it is unknown the clue of the price mechanisms fixed.

Álvaro Reviriego, from ACS-Cobra, asks if the European Commission has a really willing on this kind of projects. If there is a will, it will be possible to find a way to implement this. In fact, in his presentation (that is going to be the next one), he will show a concrete example on how to finance this.

Johan Lilliestam, from PIK, says that the idea of how exactly the cooperation mechanisms with third countries will work has to be more accurate.

Natalia Caldés, from CIEMAT, says that the three next presentations could be the clue for resolving these questions.

ACS-Cobra: Cooperation for RE sources: the Coordination Fund

Alvaro Reviriego, from ACS-Cobra, concludes that the confidence of investors is the clue for this kind of projects.

REE: REE's view on the cooperation mechanisms

José Carlos Fernández from REE says that Spain has a high renewable energy potential and could be an exporter country within the Member States cooperation mechanisms and that it is not necessary to import renewable energy to achieve 2020 targets. In cooperation mechanism with third countries, Spain will play a crucial role like exporter country. It is necessary the efficiency for connecting Spain with France and avoid bottlenecks. Spain's intention is to be a transit country but it can not be done without a clearly regulatory framework and transparency in cost transmission and cost allocation (all the investors have to know clearly how much they are going to pay).

ESTELA/PROTERMOSOLAR: Industry's view on the cooperation mechanisms

Luis Crespo, president of ESTELA and Secretary-General of Protermosolar, says that Spain is prepared to help other Member States with "joint" STE plans. He also argues that thermosolar energy is better than photovoltaic because of the major indirect jobs that are generated in the host country.

Round table: work progress and way ahead

Juergen Kern, from DLR, presents the North Africa case study, Gerhard Totschnig, from TUWIEN, presents the Turkey case study; and Andreas Tuerk, from JR, presents Balkans case study. All of them ask some questions in order to be answered by stakeholders (these questions are in the presentations).

Álvaro López Peña, from University of Comillas, says that 2020 targets are very aggressive targets and raised the question about what is going to happen later, in 2030.

Sofia Martínez, from IDAE, says that the European Commission has no plan to start negotiating post-2020 targets. In this moment, they are preparing the Guidelines and waiting for the countries to start cooperating. Moreover, apart from the projects related to North Africa region, there are not so many projects related to cooperation mechanism with third countries and there is not so much time before 2020 for developing this kind of projects and getting more information.

Luis Crespo, from PROTERMOSOLAR, agrees that there is not so much time by 2020 for developing this kind of projects but he says that in 2015 there would be a major pressure for using renewable energy for the consequences of climate change.

Sofía Martínez, from IDAE, says that the one of the successful factors for these kinds of projects depends more in removal of public support to fossil fuels technologies than in the cost of renewals.

Álvaro Reviriego, from ACS-Cobra, says that the price of renewable energy will decrease in the future with efforts and research.

Sofía Martínez, from IDAE, says that it would be a good idea to explain the governments all the added value of renewable energies, not only the job creation.

Álvaro Reviriego, from ACS-Cobra, says that it is clear that there is a willing for developing renewable energies but there is a lot of work to do and it is not possible to develop this idea by 2020.

Francesco Dalla Longa from ECN says that the short time until 2020 and the little development of these kinds of projects are not an excuse for not putting the best of all for the successful of this kind of projects. This project could make a big impact and it could turn into a priority. Public and private sectors could play a crucial role for making scenarios.

José Carlos Fernández from REE agrees in this idea. This is a historic opportunity for Spain. A clearly framework has to be done and it is an issue of Member States more than of European Commission. The challenge is to convince policy makers.

Natalia Caldés asks which of the issues that Johan Lilliestam has presented are more important to get over.

José Miguel Unsión, from the Spanish Energy Commission (CNE), says that these aspects have been also analyzed under the framework of the MED-REG Initiative. It has been realized that the one of the key points will be the development of the interconnection

capacity. This is a critical issue because it will require a long time frame to be solved. Another theme is the financing issue. They have to identify the best support scheme to fill the gap. It is necessary that the skills are as stable as possible. One possibility could be feed-in-tariffs. He also says that the decreasing of risks is very important. Finally, he said that it is necessary a certification of the electricity in order to warranty that the energy is really “green” (renewable).

ANNEXES

ANNEX A - AGENDA



STAKEHOLDER CONSULTATION WORKSHOP - BETTER PROJECT

“Bringing Europe and Third Countries Closer together through Renewable Energies”

22 February 2013, CIEMAT (Av. Complutense 40, 28040 Madrid, Spain)

AGENDA

8:30 - 9:00		Welcome Coffee and Registration
9:00 - 9:30	Opening of the seminar	<i>Yolanda Lechón</i> (Head of the Energy Systems Analysis Unit at CIEMAT)
	Welcome: goals of the meeting; introductory round;	<i>Natalia Caldés</i> (Energy Systems Analysis Unit- CIEMAT)
9:30 - 9:45	The cooperation Mechanisms of the RES directive; European and Spanish view	<i>Sofía Martínez</i> (International Department - I.D.A.E.)
9:45 - 10:10	Introduction of the BETTER project (main goals, challenges, added values, etc)	<i>Natalia Caldés</i> (CIEMAT / BETTER) Project coordinator
	Key role of stakeholders in the BETTER project	<i>Emanuela Menichetti</i> (OME / BETTER) Stakeholder consultation leader
BETTER PROJECT RESULTS		
10:10 - 10:25	EU-Res cooperation initiatives with third countries and lessons learned from the intra-european cooperation mechanisms (RES4LESS project)	<i>Francesco Dalla Longa</i> (ECN / BETTER) RES4LESS coordinator
10:25 - 10:40	Pre-assessment of potentials and benefits of intensified RES cooperation	<i>Gustav Resch</i> (TUWIEN / BETTER)
10:40 - 10:55	Design of the cooperation mechanisms as well as other finance mechanisms that can contribute to the deployment of RES in third countries	<i>Andreas Tuerk</i> (JOANNEUM / BETTER)
10:55 - 11:10	Parameters which are crucial to fully exploit the potential of the third countries coop. mechanisms	<i>Johan / Saskia Ellen</i> (PIK / BETTER)
INVITED SPEAKERS		
11:10 - 11:30	How can we trigger cooperation? A concrete example: The Coordination fund	<i>Álvaro Reviriego</i> (ACS-Cobra)
11:30 - 11:50	Industry's view on the cooperation mechanisms	<i>Luis Crespo</i> (ESTELA / PROTERMOSLAR) European/Spanish Solar Thermal Association
11:50 - 12:10	REE view on the cooperation mechanisms; opportunities and challenges ahead	Studies Department of REE (tbc)
12:10 - 12:30	Coffee Break	
12:30 - 13:00	Round table: Work progress and way ahead CASE STUDIES: North Africa, Turkey, Balkans	<i>Moderator: Natalia Caldés</i> <i>Franz Trieb</i> (DLR / North Africa) <i>Gerhard Totschnig</i> (TUWIEN / Turkey) <i>Andreas Tuerk</i> (JOANNEUM / Balkans)
13:00 - 14:00	PANEL DISCUSSION WITH INVITED EXPERTS AND BETTER CONSORTIUM PARTNERS	
	<ul style="list-style-type: none"> - <i>What are the issues that are most important to you? According to your experience, what are the major bottlenecks for RES cooperation/ for the use of the cooperation mechanisms?</i> - <i>What are the major opportunities/challenges associated to working in the studied regions?</i> - <i>Any feedback from the preliminary results? What can the BETTER project can do for you? Expectations?</i> 	
End of the National Seminar (SPANISH WINE and APPETIZER)		

ANNEX B - LIST OF PARTICIPANTS



STAKEHOLDER CONSULTATION WORKSHOP - BETTER PROJECT

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	No	Name of representative	Institution Name	Institution type
Speakers	1	Luís Crespo	Protermosolar (Solar Industry Energy Assoc.)	Industrial Association
	2	José Carlos Fernández	Red Eléctrica de España (REE)	Spanish TSO
	3	Sofía Martínez	Spanish Institute for Diversification and Energy Savings (IDAE)	Public Institution
	4	Álvaro Reviriego	ACS-Cobra	Utility
Audience	5	Ricardo Martín Pedraza	Iberdrola	Utility
	6	Magdalena García Mora Jose Manuel Nieto Julia Lucena	ACCIONA Energía	Utility
	7	Juan Ignacio Orgega	SENER (Torresol)	Utility
	8	Jaime Saenz	ELECNOR	Utility
	9	Alejandro Castañeda	FCC – Energía	Utility
	10	Eduardo García	Protermosolar	Industrial Association
	11	Alberto Ceña	Spanish Wind Industry Association (AEE)	Industrial Association
	12	Maryse Labriet	Eneris Consulting	Consulting firm
	13	Marin Jerch	Spain Business Overseas	Consulting firm
	14	Amparo Nuche Bascón Luís Hilario Alonso	Spanish Ministry of Industry, Tourism and Trade (MINETUR)	Public Institution
	15	José Miguel Unsión Nuria Alonso Gabiella Nemeth	Spanish Energy Commission (CNE)	Public Institution
	16	Isabel Lozano Sara Agesen Muñoz	Spanish Climate Change Office (OECC)	Public Institution
	17	Maite Marin-Crespo Carlo Penna Gómez	Spanish Development Agency (AECID)	Public Institution

	18	Álvaro López Peña	Cátedra BP- University of Comillas	Education/ Research
Partners	19	Natalia Caldés	CIEMAT	
	20	Helena Cabal		
	21	Yolanda Lechón		
	22	Irene Rodríguez		
	23	Cristina de la Rúa		
	24	Marta Santamaría		
	25	Jürgen Kern	DLR	
	26	Francesco Dalla Longa	ECN	
	27	Andreas Tuerk	JR	
	28	Chara Karakosta	NTUA	
	29	Emanuella Menichetti	OME	
	30	Saskia Ellenbeck	PIK	
	31	Johan Lilliestam		
	32	André Ortner	TU-WIEN	
33	Gustav Resch			
34	Gerhard Totschnig			
35	Robert Pasicko	UNDP		