The background is a composite image of the Earth from space, showing the continents and oceans. Overlaid on this are numerous glowing blue lines that represent energy or data connections, crisscrossing the globe and connecting various points on the landmasses.

*Implementation of renewable energy and  
environment acquis in the Contracting Parties of  
the Energy Community*

*Naida Taso, Peter Vajda  
Energy Community Secretariat*

# THE ENERGY COMMUNITY AT A GLANCE

- ☀ International organization established in 2005 by the Treaty establishing the Energy Community;
- ☀ Extends the EU internal energy market to South East Europe and beyond to create a sustainable pan-European Energy Market;
- ☀ Instrument to assist countries in the EU's neighborhood to reform their energy markets in line with EU law and principles;
- ☀ Treaty obligations are binding and backed up by a strong institutional setting and dispute settlement mechanism;
- ☀ Annual budget of 4.8 million in 2020 (plus additional funding for initiatives/regional projects).



# MAIN AREAS OF WORK

Statistics



Electricity



Renewable energy



Value added tax



Competition/  
state aid



Environment



Cyber security



Regulator



Gas



Climate



Energy efficiency



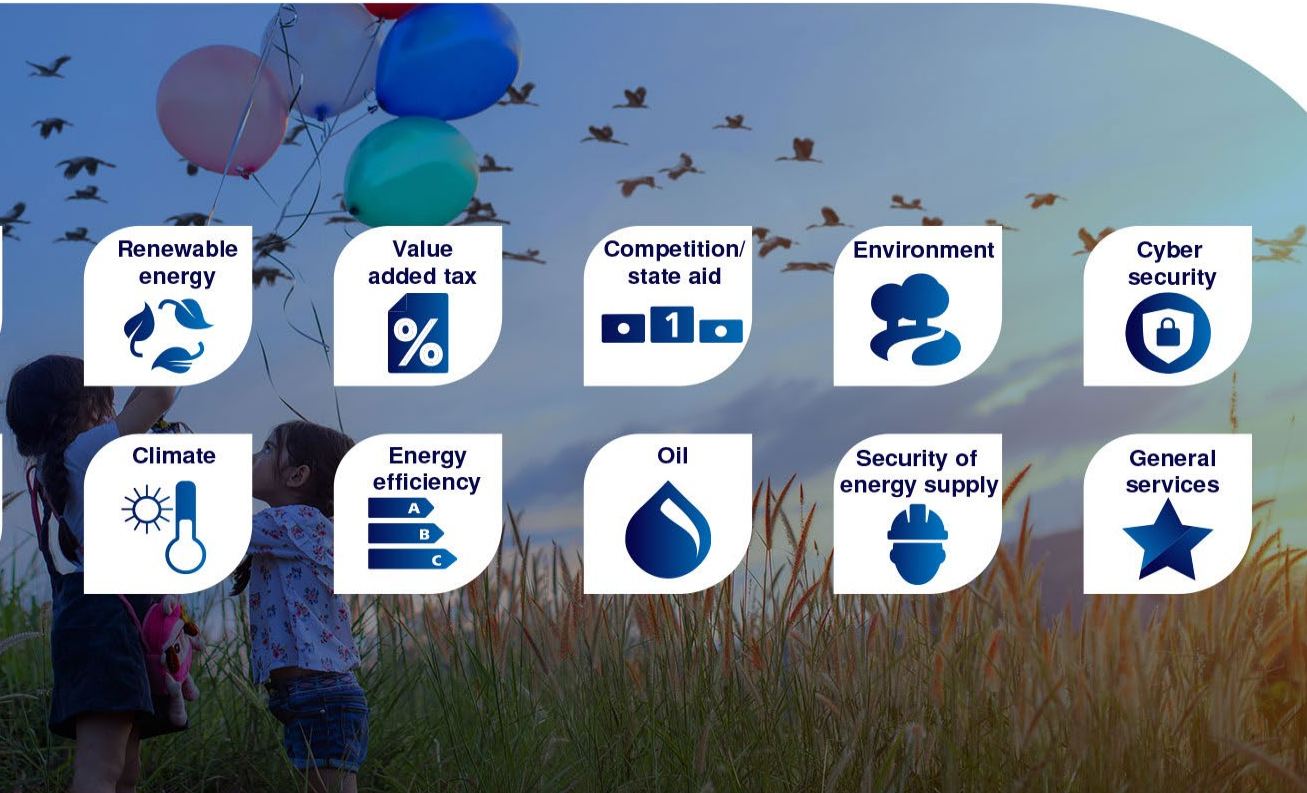
Oil



Security of energy supply



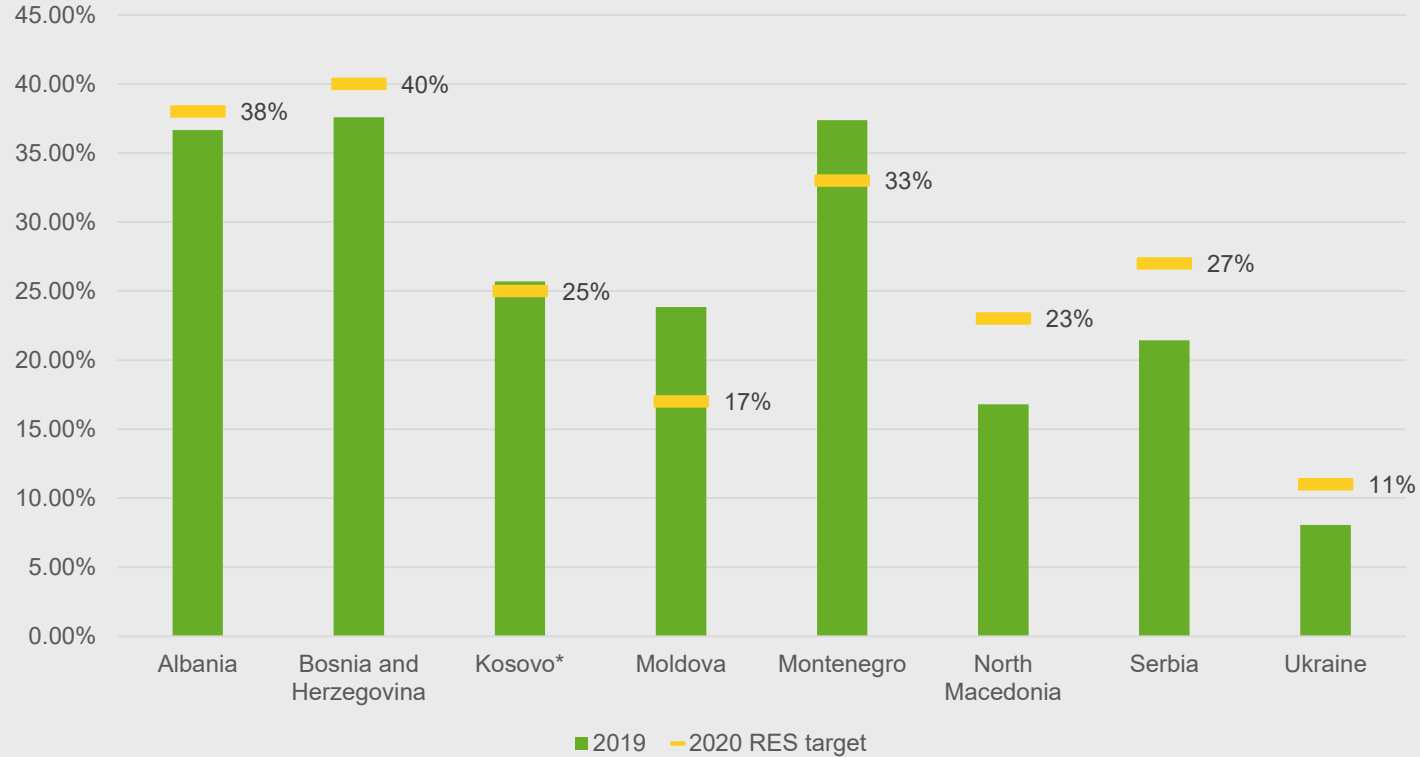
General services



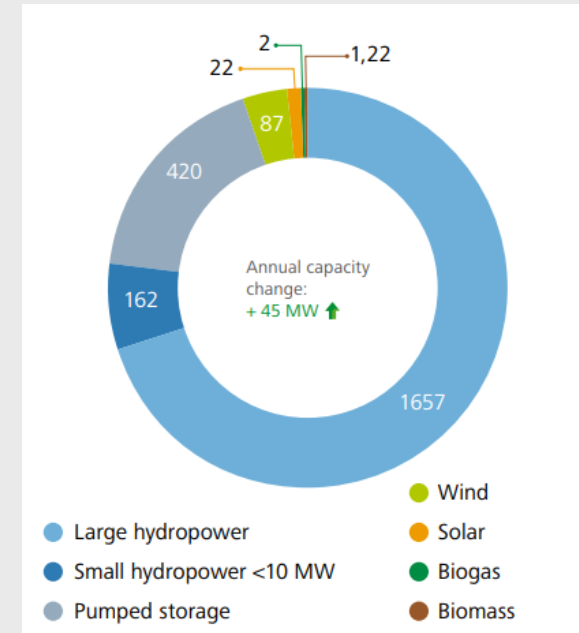
# LEGAL FRAMEWORK FOR RENEWABLE ENERGY

- ☀️ **DIRECTIVE 2009/28/EC on the promotion of the use of energy from renewable sources**
- ☀️ **Policy Guidelines on the Applicability of the Guidelines on State Aid for Environmental Protection and Energy 2014-2020**
- ☀️ **General Policy Guidelines on the 2030 Targets for the Contracting Parties of the Energy Community**

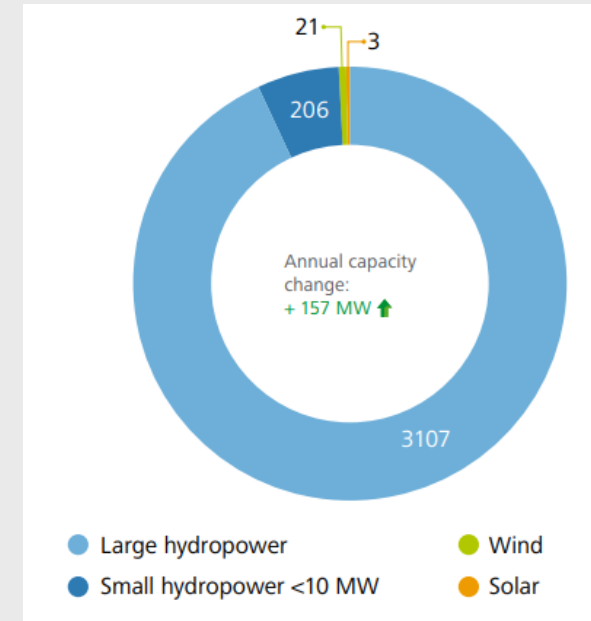
## Share of renewable energy in gross final energy consumption



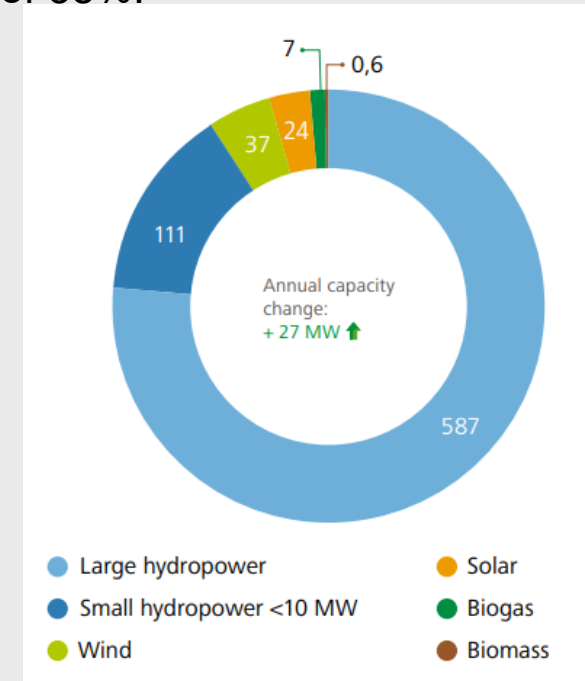
- With the share of 37,58% of renewable energy in gross final energy consumption in 2019, Bosnia and Herzegovina is below trajectory to reach it's target of 40% in 2020.
- However, due to the second revision of biomass consumption data, Bosnia and Herzegovina reported a significant increase in the share of renewable energy in comparison to previous years and reached its sectorial target for the share of renewable energy in heating and cooling.
- The support scheme is still based on administratively set feed-in tariffs.
- After Mesihovina (51 MW, in operation since 2018), a second wind park in Bosnia and Herzegovina (Jelovača, 36 MW) was commissioned in 2019.
- Preparation of National Energy and Climate Plan (NECP), including proposal for 2030 targets, started.



- Due to its late accession to the Energy Community, Georgia adopted the National Renewable Energy Action Plan (NREAP) only at the end of 2019. The document contains a set of measures to promote renewable energy. However, there is no obligatory 2020 target.
- In December 2019, Georgia adopted the Law on Promoting the Production and Use of Energy from Renewable Sources aiming to transpose the renewables acquis.
- For years, hydropower was promoted through guaranteed power purchase agreements (PPAs). In July 2020, the Government of Georgia adopted a secondary act introducing a feed-in premium (FiP) for hydropower plants with installed capacity higher than 5 MW.
- Besides more than 3.000 MW of large hydropower plants and more than 200 MW of small hydropower, Georgia has in operation one wind park (Gori, 20,7 MW) and 2,5 MW of mostly solar rooftop installations.






- With the share of 16,81% of renewable energy in gross final energy consumption in 2019, North Macedonia is way below trajectory to reach it's target of 23% in 2020.
- North Macedonia is first Contracting Party to submit its draft National Energy and Climate Plan (NECP) proposing very ambitious target for RES in 2030 of 38%.
- According to the Energy Law, two types of support measures are applied: the administratively set feed-in tariff (FiT) and the feed-in premium (FiP) granted on a competitive basis. The first auctions under the FiP scheme were conducted in 2019, followed by signature of the first contracts in 2020.
- The renewable energy portfolio of North Macedonia is mainly based on hydropower. In 2019, only 5,5 MW of solar PV were added, while the only wind farm remains Bogdanici (37 MW), which is in operation since 2014





# Ongoing reform of the support scheme for RES

Albania	Montenegro	North Macedonia
Fixed purchase price/Contract for Difference	Market price	Feed-in premium (FiP)
		
<b>Best achieved price: 24,89 EUR/MWh</b>	<b>Bids for land lease price</b>	<b>Average: 4 - 11 EUR/MWh</b>

The auction/tender design depends on many factors and can vary from country to country. For example in Albania, auctions were designed to convert the fixed purchase price awarded to producers into Contract for Difference (CfD) once a day-ahead market is operational. In May 2020, Albania announced results of a second solar PV auction for 70 MW where a remarkable price of 24,89 EUR/MWh was achieved. On the other hand, Montenegro held locational auctions for solar PV and onshore wind where investors were offering a land lease price to gain the right to build plants on state-owned land and sell electricity at the market price. In North Macedonia, auctions were based on the bids for an additional fixed Feed in Premium (FiP), on top of the price realized by the sale of each kWh produced on the wholesale electricity market. The average achieved FiP for offers on state-owned land was 4 EUR/MWh, while the average FiP for offers on private land was 11 EUR/MWh.

# *Citizen's participation in the development of renewable energy projects*

- Introduction of functional system for Guarantees of Origin
  - Energy Community assisting Contracting Parties in developing a regional system
- Implementation of renewable self-consumption scheme
  - Using Policy Guidelines by the Energy Community Secretariat on Integration of Renewables Self-Consumers published in September 2020
- Renewable Energy Communities









## **ENVIRONMENTAL COMPLIANCE / LCPs**

- **NERP : Vehicle from the Large Combustion Plants Directive (LCPD) towards the Industrial Emissions Directive (IED)**
- **LCPD to be implemented as of 1 Jan 2018 (2013/05 decision), Chapter III and Annex V of IED: same date for new plants (2013/06); for existing plants → 1 Jan 2028 (2015 decision)**
- **Special situation of Ukraine reflected in 2015 decision**
- **Key actions for NERP implementation**
  - replacement (to be removed from NERP if done)**
  - retrofit**
  - putting a price tag on air pollution**
- **5 CPs implementing NERPs, opt-out: BiH 3, MN 1, SR 4, UA 19+61**

# Opt-out estimations

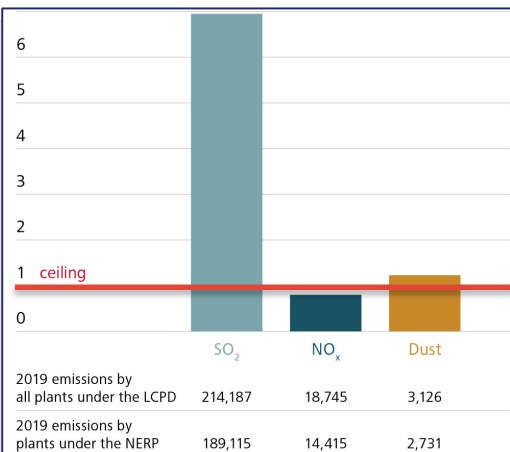
## Amount of operational hours used from opt-out period

<b>Termoelektrana Kolubara A3 (boilers 3, 4, 5)</b> 	Expected expiry of opt-out period	August 2021
	Remaining hours	8.964
	Operating hours consumed in 2018 and 2019	11.036
<b>Termoelektrana Morava</b> 	Expected expiry of opt-out period:*	June 2022
	Remaining hours	11.026
	Operating hours consumed in 2018 and 2019	8.974
<b>Termoelektrana Kolubara A3 (boiler 1)</b> 	Expected expiry of opt-out period	August 2022
	Remaining hours	11.416
	Operating hours consumed in 2018 and 2019	8.584
<b>Termoelektrana Kolubara A5</b> 	Expected expiry of opt-out period	December 2023
	Remaining hours	14.812
	Operating hours consumed in 2018 and 2019	5.188

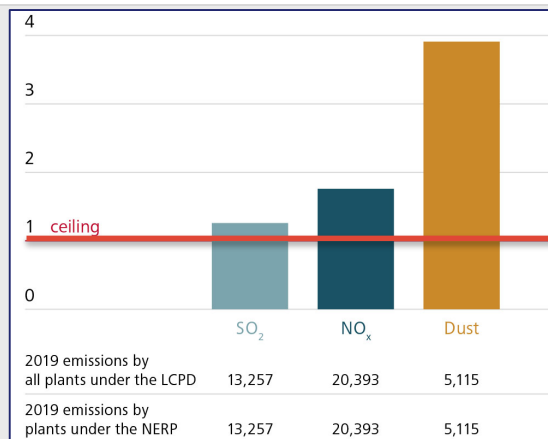
\*Calculations for the expected expiry of the opt-out period are based on 2018 and 2019 average load factor.

Source: compiled by the Energy Community Secretariat

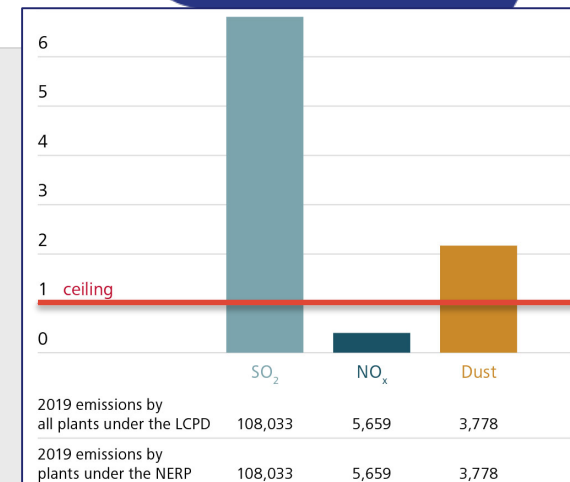
# Emissions from large combustion plants vs NERP ceilings



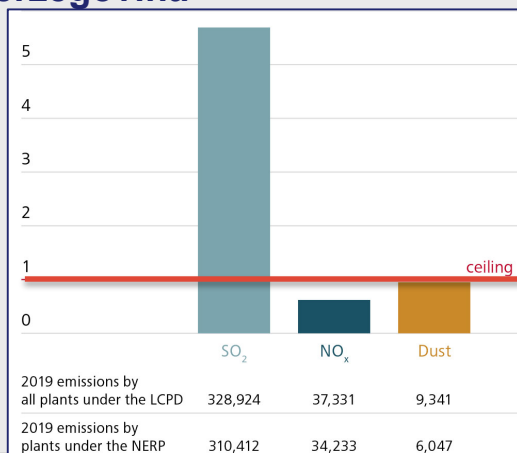
**Bosnia and Herzegovina**



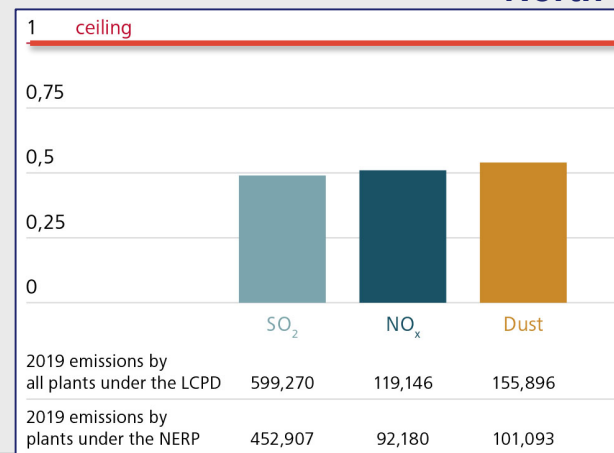
**Kosovo\***



**North Macedonia**



**Serbia**



**Ukraine**



*Thank you for your attention!*

[www.energy-community.org](http://www.energy-community.org)