



Regulatory Developments In Europe and Eurasia

Renewables & Efficiency

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USAID/NARUC REGULATORY EFFORTS

● Regulatory Developments

- ▶ National: Establishment of Commissions; Regulatory Partnerships
- ▶ Regional Networking: Energy Regulators Regional Association (ERRA)
 - ▶ Membership of 22 Regulatory Bodies
 - ▶ Training and Exchange of Information/Experience
 - ▶ NARUC key involvement-leadership and technical

ENERGY SECURITY: CENTRAL ISSUE

■ Background

- ▶ Energy Community (of Southeast Europe)
- ▶ Natural Gas dependency & cut-off
- ▶ Volatile and rising energy prices
- ▶ Political Implications of energy dependency

ENERGY SECURITY (cont'd)

● Responding to the challenge

- ▶ Diversification of energy sources (gas and electricity)
- ▶ Development of domestic sources (renewables)
- ▶ Improved energy efficiency

RENEWABLES

● The Frameworks: Energy Community Treaty and EU Directives

- ▶ Renewable Energy Sources Directives
2001/77/EC in 2001 and 2003/30/EC in 2003
and the new 2008 Directive
 - ▶ 20% of total energy demand by 2020

RENEWABLES (Cont)

- Elements of a Renewable Policy Framework
 - ▶ Removal of non-economic barriers (grid access obstacles; poor electricity market design, etc.)
 - ▶ Predictable/transparent investment framework
 - ▶ Transitional incentives for market penetration
 - ▶ Transitional incentives guaranteeing support based on technology maturity
 - ▶ Grid impact of intermittent renewables

RENEWABLES STATUS--SEE

- South East Europe (SEE)
 - ▶ Support mechanisms
 - ▶ Feed-in tariff in place or development in most countries; move to green certificates over time
 - ▶ Guarantee of origin
 - ▶ Early stage—need legislation, implementation of issuing body and system for documentation & registries.
 - ▶ Energy Agency or Regulator have responsibility?
 - ▶ Administrative procedures
 - ▶ Much to do on licensing, permitting, fast-tracking? Mediation?
 - ▶ Grid system issues/access: Addressed

RENEWABLES—TARIFF STATUS

SELECTED COUNTRY APPROACHES

- ▶ Albania: Only a small hydro fixed tariff (110% of imported electricity price)
- ▶ Bosnia: A minimum purchase price
- ▶ Croatia: Feed-in tariffs for each type of RES
- ▶ Macedonia: Feed-in tariffs gradual adoption underway.
- ▶ Montenegro: Little progress.
- ▶ Serbia: Feed-in tariff scheme in 2009