



Flexibility for RES target achievement:

Cooperation mechanisms from the Italian
perspective

Autoren: Sebastian Busch, Gustav Resch, Mario Ragwitz[°], Corinna Klessmann*

Energy Economics Group, Technische Universität Wien

[°] Fraunhofer ISI, Deutschland

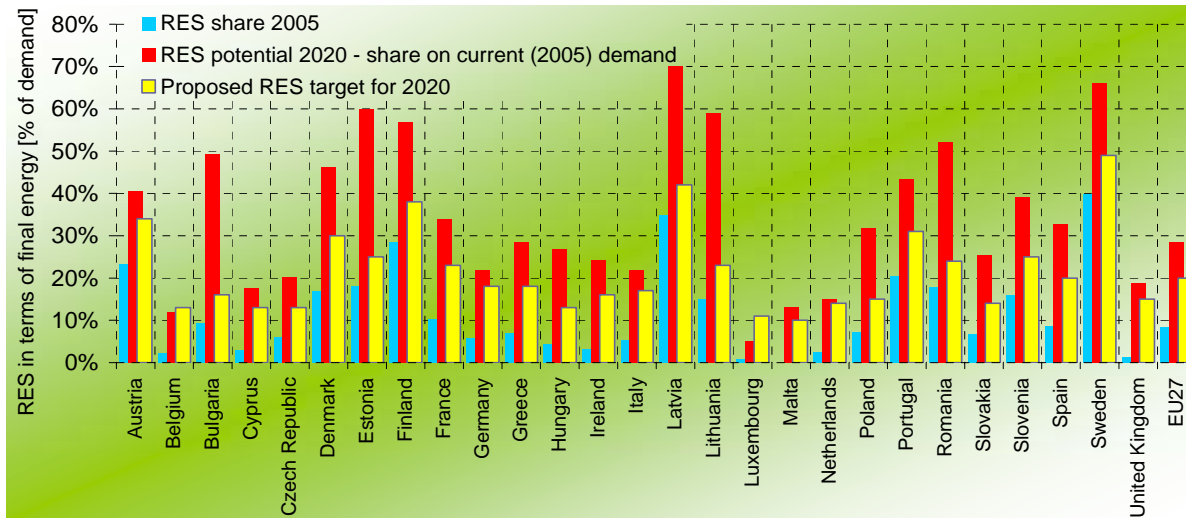
* Ecofys, Germany

Kontakt:

Web: <http://eeg.tuwien.ac.at>

Email: resch@eeg.tuwien.ac.at

- Introduction: Cooperation mechanisms
- Joint projects
- The Italian perspective

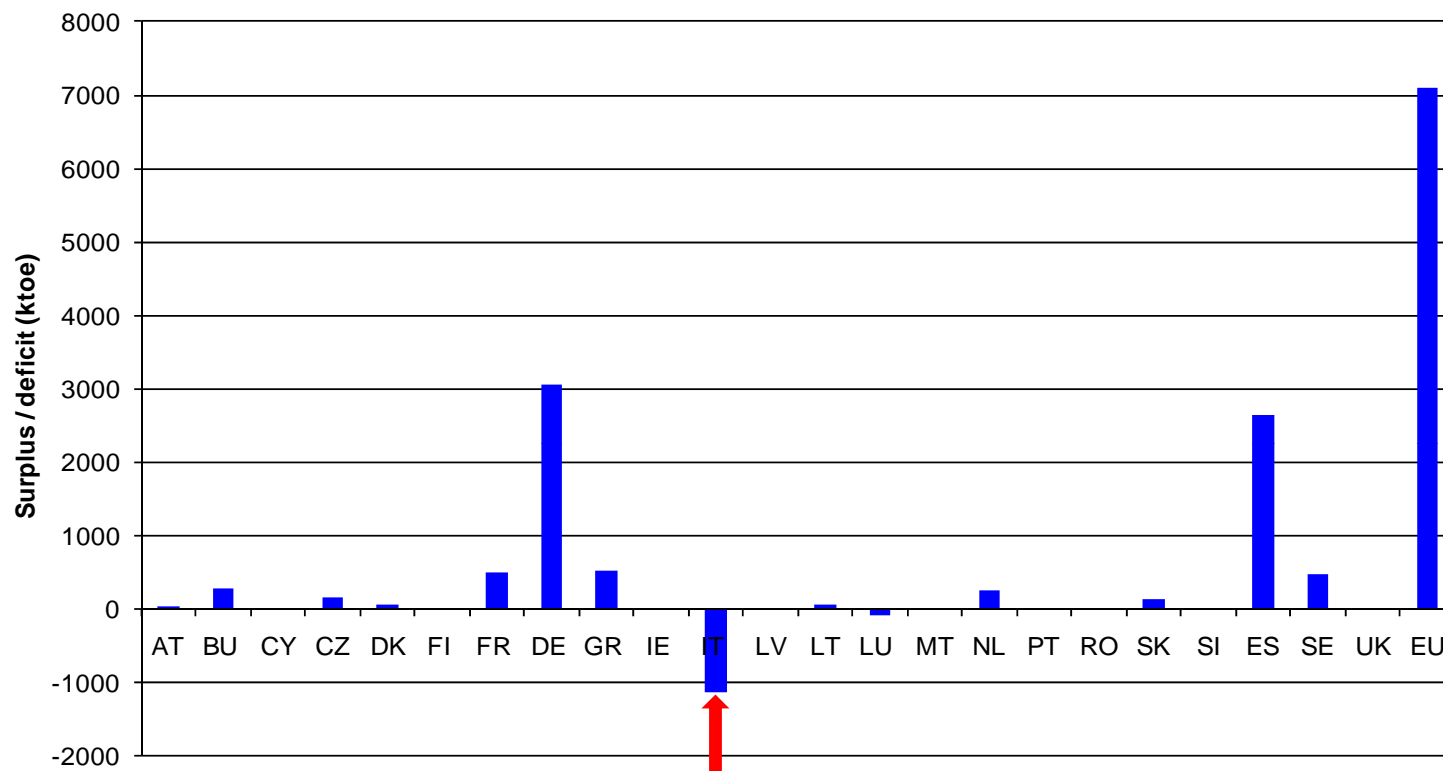


- Motivation of CoopMex:

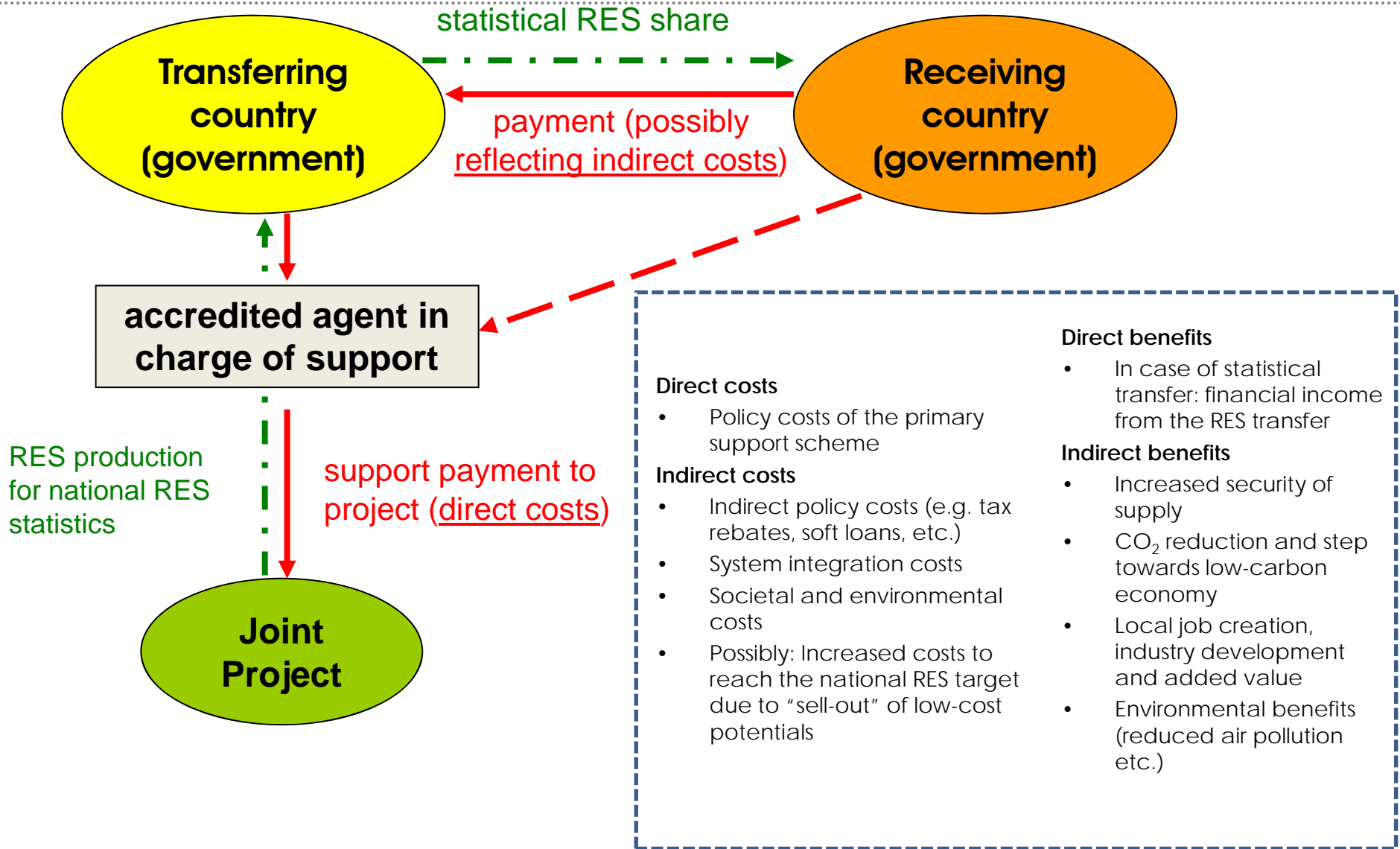
- Target flexibility: allow Member States (MS) with low and/or expensive RES potential to partly fulfill their RES target in other countries
- Cost savings: reduce overall costs for achieving EU 2020 RES target

- CoopMex defined in Directive 2009/28/EC

- Statistical transfer means that renewable energy which has been produced in one member state is virtually transferred to the RES statistics of another member state, counting towards the national RES target of that member state.
- Joint projects between member states are RES electricity or heating/cooling projects that are developed under framework conditions jointly set by two or more member states; the involved member states define which share of the energy production counts towards which member state's target.
- Joint projects can also be implemented between member states and third countries i.e. countries outside the EU. A precondition is that an amount of electricity that equals the electricity amount generated from renewable sources and subject to this joint project is physically imported into the EU.
- In the case of joint support schemes, member states combine (parts of) their RES support schemes. The Directive defines general accounting rules and framework conditions for using the flexible mechanisms, but leaves the design and practical implementation of the mechanisms to the member states.



- Seven countries are expecting a significant surplus of more than one percent by 2020 according to the National Renewable Energy Action Plans (NREAPs), which have been submitted to the European Commission by the end of 2010.
- Taken all together the NREAPs result in a net surplus of 1100 ktoe.
- The predicted surplus or deficit is not the only criterion for using the cooperation mechanisms. Member State governments will make their choice based on a broader assessment of related costs and benefits



- Italy imported some 35 TWh of RES-E in 2010
- More to follow: Investment projects are under way by several Italian companies
- deficit in internal RES production of around 1.2 Mtoe
- **Could this deficit be covered by “Joint projects”?**

Third Country	Start of import	TWh from RES/year	Mtoe from RES/year	Reference period
Switzerland	*	4	0.34	1990-2000
Montenegro and Balkan States connected to the Montenegrin network	2016	6	0.51	1990-2008
Albania	2016	3	0.26	1998-2007
Tunisia	2018	0.6	0.05	
TOTAL		13.6	1.16	1990-2007

... from 2018 onwards ... following the completion of the planned interconnection infrastructure

• Is that a realistic scenario?

- On January 14th, 2011, Terna issued the tender for the cable installation (2 x 1,000 MW, 500 kV direct current) to **Montenegro** – expected to go online in 2013
- 2009: Italian (AEEG) and **Albanian** (ERE) energy regulators launch energy partnership
 - Allocation of green certificates to RES-E imports
 - What is the near term potential for Albania?

Type of plant	S/type	Installed Power (MW)	No of aggregates	Annual generation (GWh)	Status
HPP	basin	100	2	na	project
Wind farm	off-shore	500	250	na	project
TPP biomass	biomass	140	9	1,093	project
Wind farm	off-shore	234	78	750	project
Wind farm	off-shore	150	75	300	project
Wind farm	off-shore	150	75	330	project
Wind farm	off-shore	225	75	750	project
Wind farm	na	27.6	na	na	project
TOTAL		1,526.6		3,223	

- Matching the Italian NREAP forecast would require all electricity from currently planned projects to be exported

- In 2009, the Italian and **Serbian** governments signed an agreement to develop hydroelectric power in Serbia. This was followed, on June 2010, by the creation of a joint venture between an Italian company (SECI Energia) and Elektroprivreda Srbije in order to install up to 103 MW of hydroelectric power (with an expected annual generation of 450 GWh) to be exported to Italy through Montenegro. A further agreement to extend Italian green certificates also to Serbian renewable plants, like the Albanian one, is under discussion.
- Also, the discussion with **North African** countries is well under way and the interconnection under the Mediterranean Sea is among the projects funded by the European Union.
- The effect of the foreseen RES generation abroad on the equilibrium of the Italian support system is not negligible, as 13 TWh would account for 25% of the target increase of RES production in 2020, according to the Italian NREAP.
- Considering the strong media campaign against the impact of RES support on the cost of electricity further costs for investments outside Italy will meet strong opposition. RES policy, in fact, is mainly supported on the basis of domestic industrial benefits.
- Italy has comparably far reaching plans regarding the use of cooperation mechanisms, but it's implementation will be challenging