



ESTELA General Meeting and Workshop

RES Directive: Exchanges with Third Countries

(Debate for action)

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Brussels, July 2010**

A. Cooperation Mechanisms

Joint Projects with Third countries (art 9 &10)

- 1 or more MS agree with a Third country to invest in a new RES-E project based in the Third Country
- The Third country where production occurs consents to export an agreed amount of power to the EU
- Transfer of electricity is required
- Must be RES-E from new installed capacity
- MS are highly interested in this mechanisms (i.e):
 - France & Spain: Mediterranean Solar Plan
 - Greece & Italy: Western Balkan

B. ESTELA s proposal for action

Management and monitoring of RES:

- **Accounting and reporting within MS**
 - Import and export of green electricity
 - Import and export of accounting rights (Statistical Transfers and Joint Projects)
 - Losses in the system

- **What body shall be responsible?**
 - Local generation companies?
 - Retailers?
 - TSOs?

B. ESTELA s proposal for action



Green Electricity Trade

- The RES Directive allows to split between electricity and “accounting rights”
- The concept of “accounting rights” is limited to 2020 while project financing requires longer-term commitments (although everybody thinks that after 2020 other RES targets will be established)
- Green electricity certificates (GECs) needed for management and control purposes
- Since GECs have to be established, they also should be used for other purposes such as financing

B. ESTELA s proposal for action

Green Electricity Certificates (GECs) - I

- GECs: “Rights associated to the generation of a certain amount of renewable electricity under certified origin conditions”
- Harmonized GECs rules are needed
- GECs may include a reference to the technology used, the power plant, the country of origin, the period in which the RES-E was generated, etc.
- GECs could be traded (commercial transactions), including long-term contracts

B. ESTELA s proposal for action

Green Electricity Certificates (GECs) - II

- **Some long-term GECs trade-contracts could be linked to feed-in tariffs in the interested MS (i.e):**
 - **GECs from solar power plants in Europe**
 - **GECs from off-shore wind in Northern Sea**
 - **GECs from solar thermal plants in MENA**

- **Feed-in tariffs could apply different premium depending on the technology and/or origin (i.e):**
 - **MS can establish FiT for 20-year contracts to get solar GECs from MENA, with a maximum amount per year**
 - **The amount per GEC can be adjusted depending on the demand**

B. ESTELA s proposal for action



Green Electricity Certificates (GECs) - III

- GECs could, first, be traded by one or more traders, and later on an organized market
- For specific markets, such as the GECs generated in the MENA region, exporting part of the RES generation to the EU, ESTELA proposes the creation of an **“official trader”** with a strong endorsement of the EU, the UfM and other interested parties
- GECs originated within the EU, or in neighboring countries other than MENA, could be traded by existing traders

C. Trading RES from EU/MENA: GET-MED concept



- An authorized *official trader* “**GET-MED**” would act as the single off-taker of green electricity and GECs for projects in the Mediterranean Solar Plan

- GET-MED would buy the electricity from MENA projects and sell the GECs to different MS and/or retailers

- (i.e) For a new plant in Morocco, GET-MED would get the full generation and the consequent GECs and will sell:
 - 80% of the electricity to the Spanish pool system
 - 20% of the electricity to ONE (through a long-term Power Purchase Agreement)
 - GECs to different EU MS (using long-term contracts incentivized by MS with appropriate FiT)

C. Trading RES from EU/MENA: GET-MED management



- **Within the GET-MED scheme, MSP projects will be easy to finance on a “project finances” basis**
- **Similarly, Joint Projects to be built in the EU will find an easier way ahead, provided that they have a credible off-taker or “official trader” to purchase the electricity and GECs on a long-term basis**
- **MS Action Plans may include the acquisition of GECs to meet the RES 2020 targets**
- **MS should include a program with long-term agreements incentivized through a FiT system**

D. Paving the way for the Mediterranean Solar Plan (MSP): an EC project



- A three-year €5 million project announced by EuropeAid for September 2010.
- The purpose of the project is to create the favorable conditions for an increased use of renewable energy and, in particular, solar energy across all the UfM Partner Countries.
- The main aim is to progress towards an harmonized legislative and regulatory framework, strengthened institutional capacity, improvement in knowledge transfer and an improved business climate. Attention will also be paid to tackling issues related to the Guarantees of Origin.
- The deadline for receipt of applications was 15 April 2010. No short list published yet.



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Thank you for your attention!

