

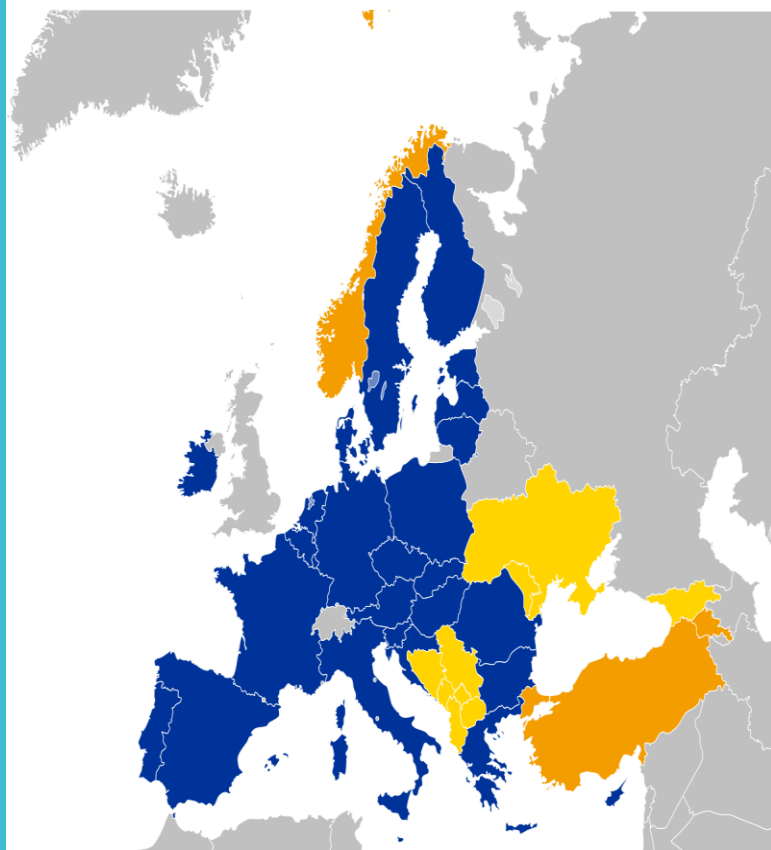
Green Energy Projects:

Procedures, Capacities and Implementation Ahead

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Country Energy Profile



Founding member and Contracting Party (CP) to the Energy Community Treaty (ECT)

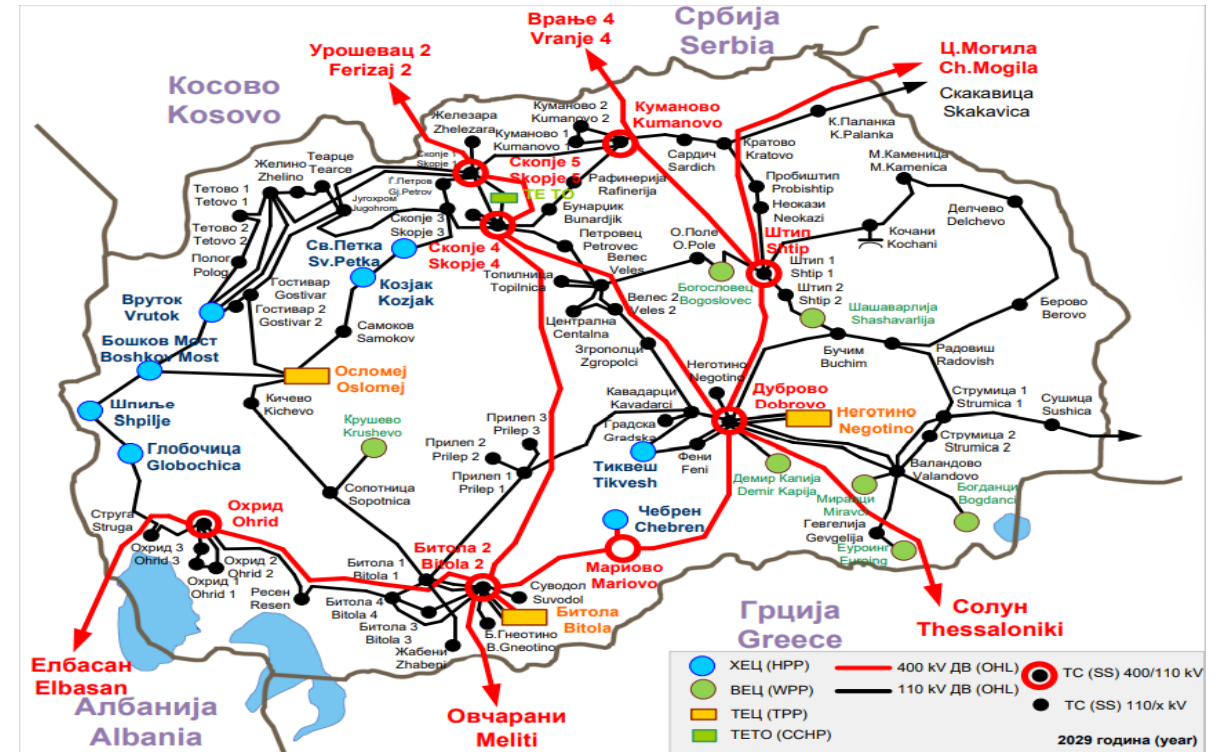
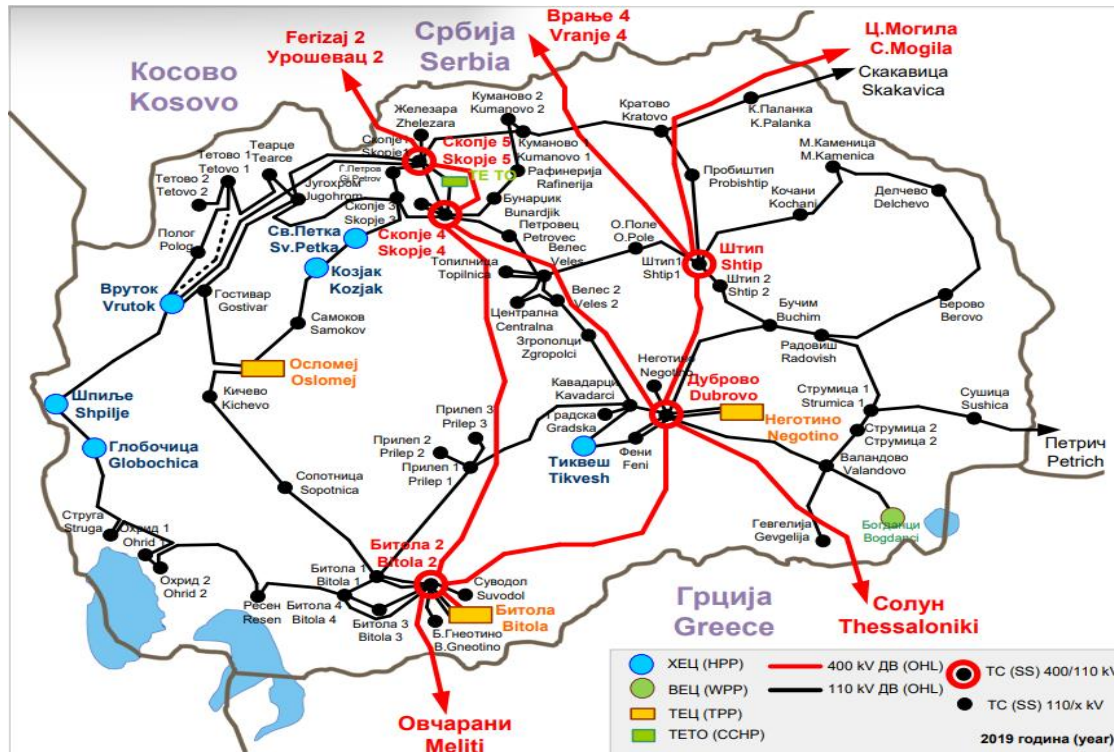
Total installed capacity ~2,100 MW, dominated by lignite powered TPPs (824 MW) and large hydro 587 MW

Net power importing country: historically importing 30-40% of the electricity demand (gross consumption ~8,200 GWh, vs electricity production of ~5,300 GWh). Data for 2021

RE target established by ECT: 23% of total energy consumption expected to be reached in 2023 (as a result of the PV auctions held in 2019, 2020 and 2021)

RE sector dominated by large hydro, but also small-hydro power plants-SHPPs (>120 MW), PVs (>50 MW), wind (73 MW) and biogas/biomass ~10 MW

Map of ECT CPs. Source: ECT Secretariat



Source: TSOs TYNDP 2020-2029

Excellent regional electricity connections (400 kV lines) with Greece, Serbia, Bulgaria, Kosovo, and Albania (under construction)

Recent Developments:

Improved Business Environment in the Energy Sector

- New Energy Law adopted in 2018 in line with EU's third energy package
- Set of Renewable Energy by-laws enacted in 2019, 2020
- Fixed feed-in premium introduced as a supporting measure for PVs and wind
 - Awarded in transparent and competitive two-stage bidding process through e-auctions
 - RE feed-in premiums paid by the central budget-minimizing off-taker creditworthiness risk
 - Connection costs pre-negotiated between the government and the DSO (EVN), ensuring predictability of the investment costs
- Feed-in Tariffs remain in use for small-hydro, biomass and biogas

Recent Developments (2019-2022)

Tendering for new capacities stream (Feed-in premium)

- Tender on state-owned land for 35 MW PVs (completed)
- Tender for 27 MW PVs on privately-owned land (completed)
- Tender for 80 MW PVs on privately-owned land (ongoing)

State-owned GenCo PPP stream

- Competitive bidding for 50 MW+50 MW PVs on depleted lignite mine completed and PV plants under construction
- Tender for 333 MW hydro pumped storage ongoing, ~600 MEUR investment

Strategic Investment stream

- Development of 360-400 MW PV (under negotiations)
- Development of 415 MW wind (under negotiations)
- Development of a gas-powered plant (under negotiations)

Strategic Investment Stream - I

- In accordance with *lex specialis* adopted in 2020
- Essentially an unsolicited proposal
- Applicable to sectors such as: **energy and infrastructure**, transport and telecommunication, tourism, ICT, etc.
- High legal certainty of the granted status-the strategic investment status is confirmed by law
- Fast-track procedure with government team's assistance to the strategic investor during permitting application and granting process
- Important qualifying criteria:
 - Investments in rural municipalities >30 million EUR
 - Investments in urban municipalities >50 million EUR
 - Investments in 2 or more municipalities >100 million EUR

Strategic Investment Stream – II (Case Study Timeline)



Reasons? Limited absorption capacity of the administration

Non-existence of model agreements by the government

Obvious shortcomings of the Law for Strategic Investments

Prolonged political crisis

Challenges Ahead
and
Market Opportunities



Integration of the regional electricity markets

Market coupling and establishing of organized day-ahead market

De-carbonization of state-owned electricity generation: new PPP arrangements with GenCo (storage/batteries, floating solar)

Adoption of the Clean Energy Package of ECT, new RE Law and Energy Law



Thank you for your
attention!

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