

# Transnational renewable electricity cooperation: What's in for the host country?



Dorian Frieden, JOANNEUM RESEARCH

Conference: "The 2020 Strategy Experience: Lessons for Regional Cooperation, EU Governance and Investment". DIW Berlin, 17 June 2015

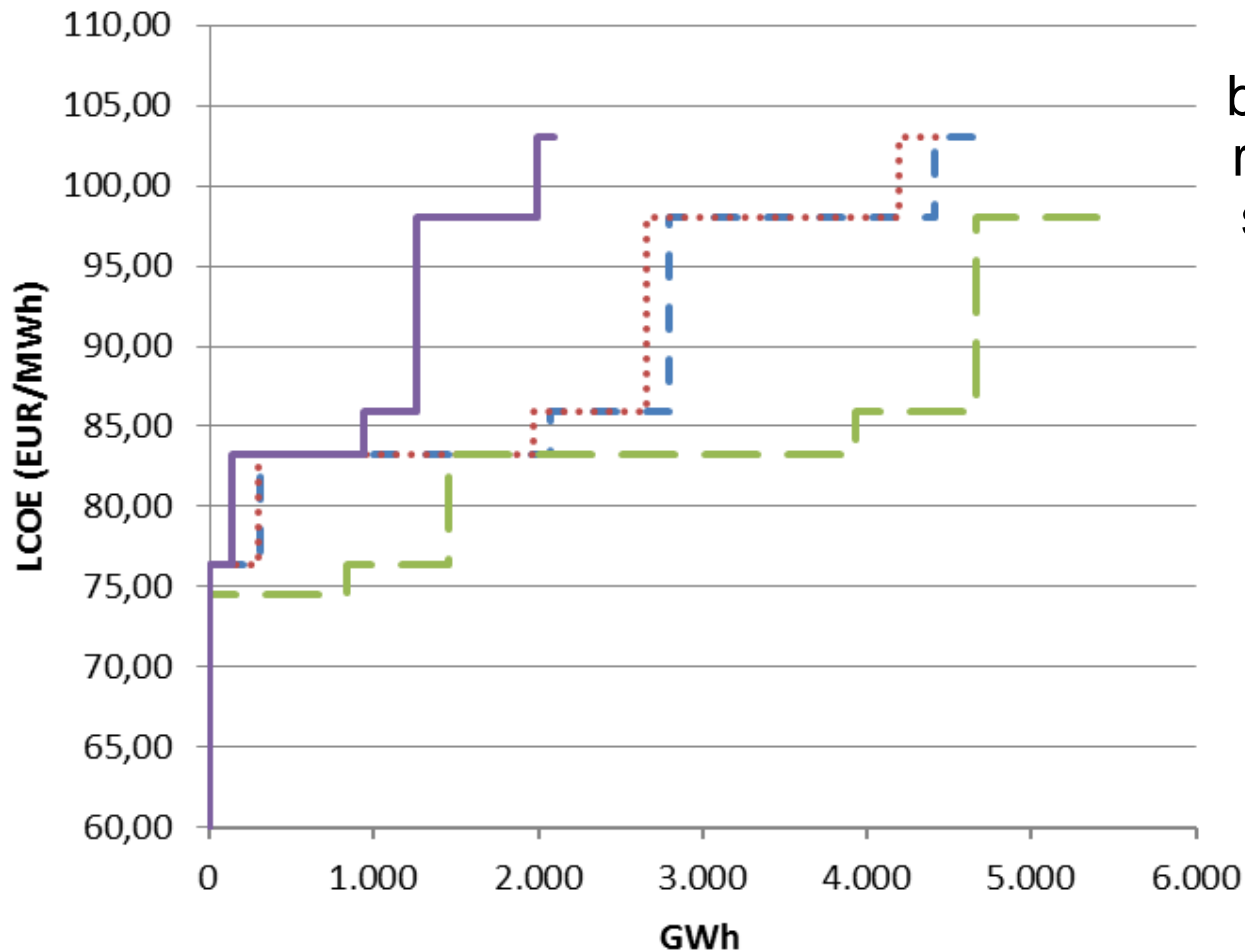
## Scope and method of the paper

---

2

- **Can Western Balkan countries benefit from wind electricity exports to the EU without constraints to their domestic supply and target achievement?**
- *Joint projects with third countries* (RES Directive, Art. 9)
- New focus: Supply optimisation in the host country through partial exports from joint projects' production
- Inverted investment appraisal: required IRR is a frame condition, the required export share the output
  - Where importer support is above the domestic one, exports can create new business cases
  - Keeping the export share at the required minimum leads to an optimised supply in the host country

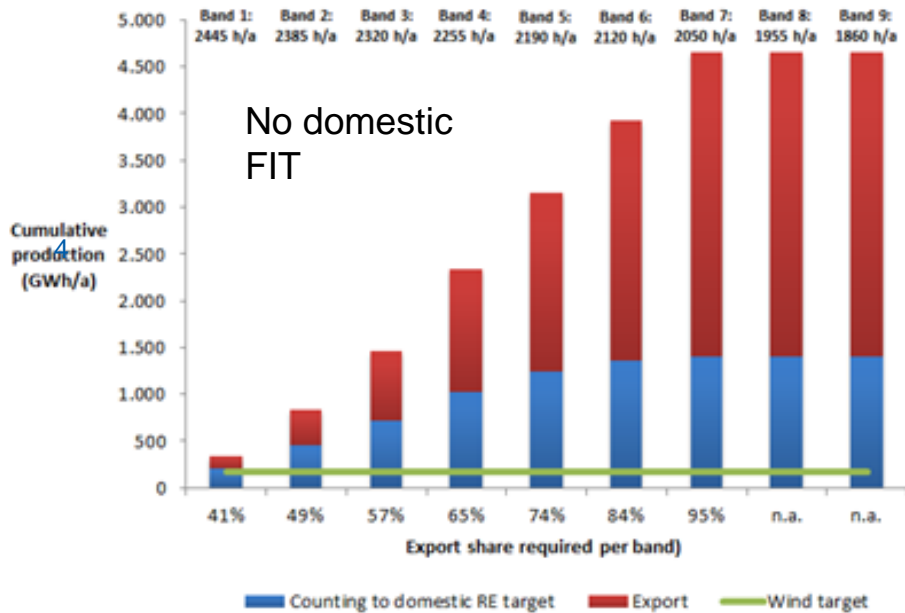
# Costs of electricity (wind onshore)



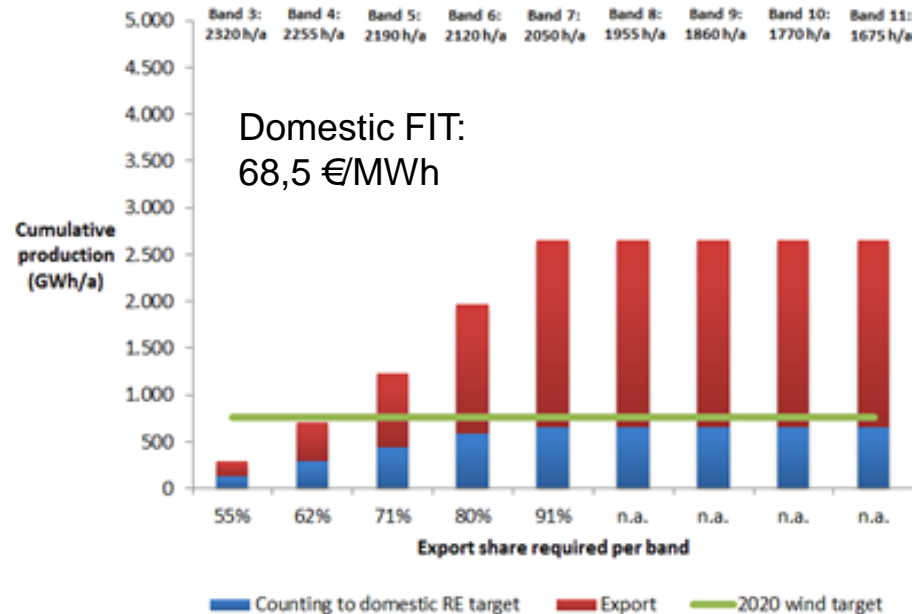
Albania has the best potential in the region (but no wind support scheme in place)

- Serbia
- ... BiH
- Albania
- FYR of Macedonia

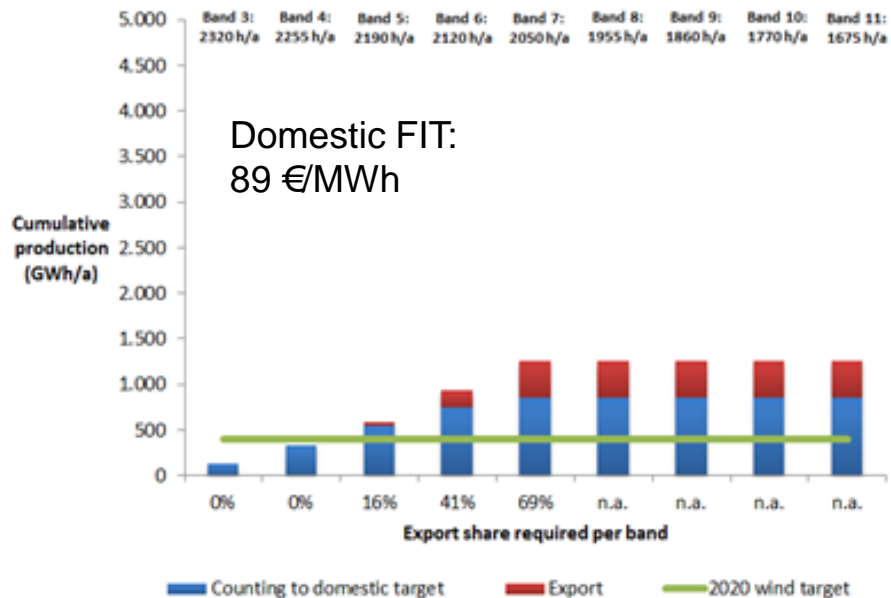
## Albania



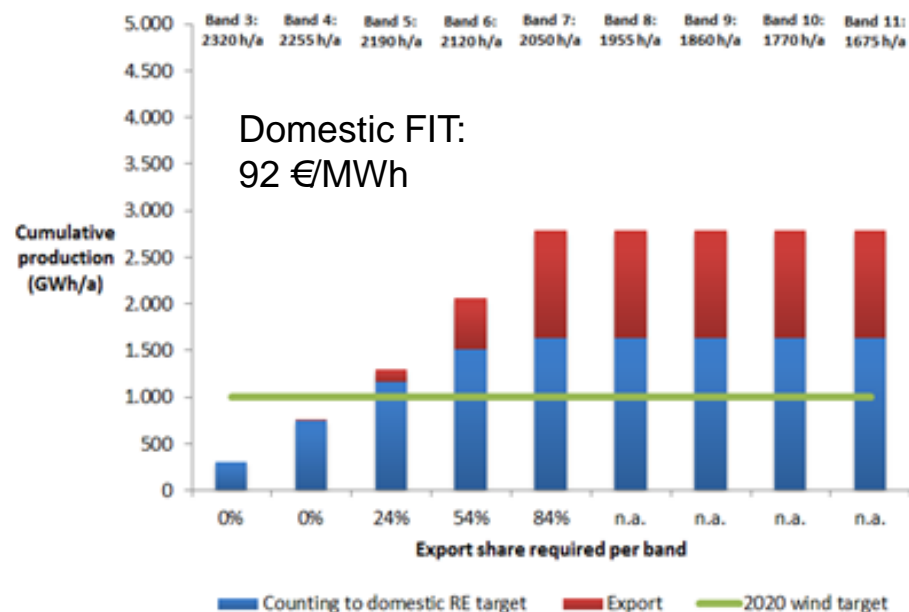
## Bosnia and Herzegovina



## FYR of Macedonia



## Serbia



# Results

- An important increase of generation and domestic supply is possible in all countries
- Only FYR of Macedonia and Serbia can expand without exports (high domestic FITs)
- Partial exports would allow Serbia, Albania and FYR of Macedonia to reach their 2020 wind targets (not possible under [non] existing support schemes)
- In particular Albania can by far exceed its wind target while having no domestic wind support system in place
- Bosnia and Herzegovina's low FIT prevents achieving its wind target with or without exports

## Conclusions

---

6

- Cooperation can allow **both EU Member States and at least some Western Balkan states** to increase their renewable electricity supply and **reach RE targets in a more cost-effective way**
- Western Balkan countries can thereby importantly **increase their supply with a lower or no need to increase the domestic support level**

**➔ Don't be afraid of cooperation!**

# Thanks for your attention

---

Frieden, Tuerk, Đukan,  
Ortner, Lilliestam:  
Transnational  
renewable electricity  
cooperation: What's in  
for the host country?

BETTER project:  
[www.better-project.net](http://www.better-project.net)

**[dorian.frieden@joanneum.at](mailto:dorian.frieden@joanneum.at)**

**RESOURCES**

Institute for Water, Energy and  
Sustainability

Elisabethstraße 18/II  
8010 Graz, Austria

[RESsekretariat@joanneum.at](mailto:RESsekretariat@joanneum.at)  
[www.joanneum.at/resources](http://www.joanneum.at/resources)



# Bonus: Sensitivities

