



IEA REWP workshop

The Role of **EU-Mediterranean cooperation** in the EU Renewable Energy Strategy

Rome, 3 October 2012

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WHAT VISION?

*"Paving the way towards an EU-Southern
Mediterranean Energy Community"*

Renewable Energy Strategy Communication of June 2012



*"Propose to partners a regional
EU-Southern Mediterranean Energy Partnership
initially focused on electricity and renewable energy market
development in these countries by 2020"*

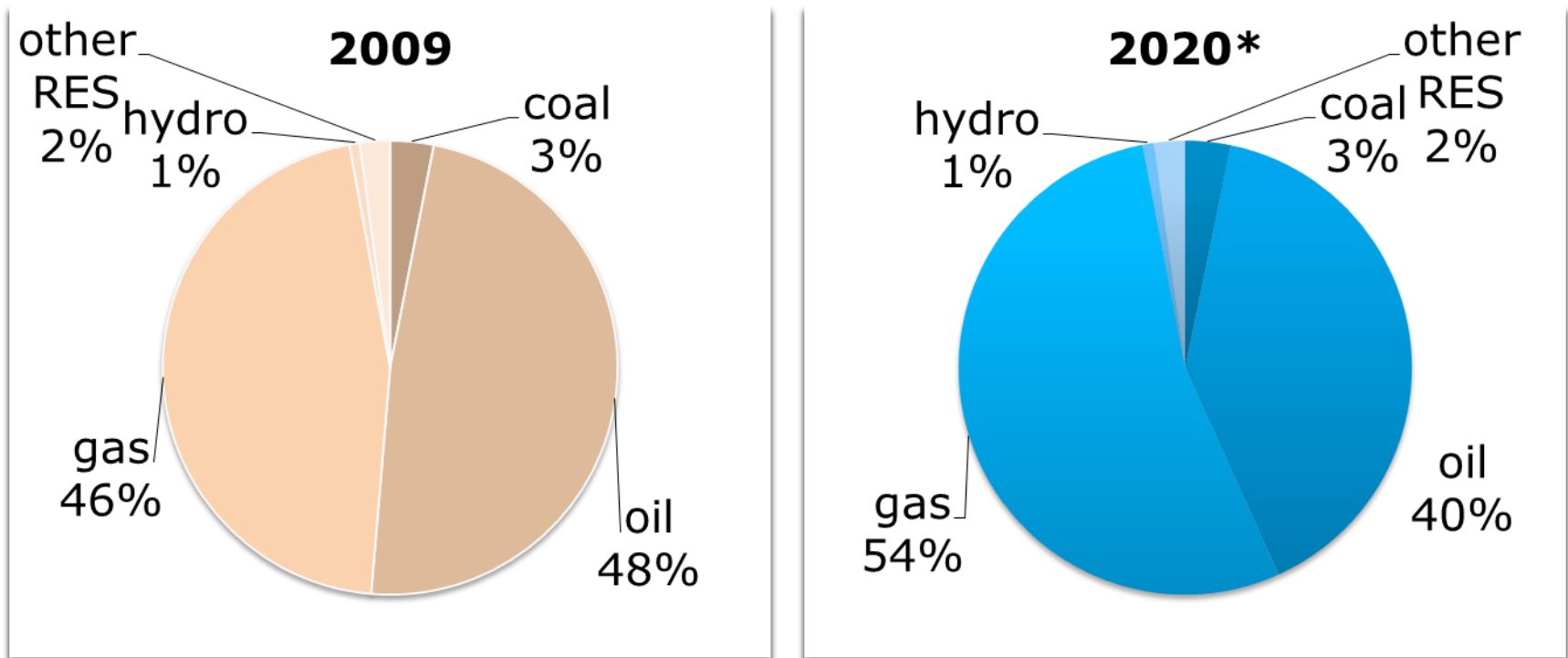
EU External energy policy communication of September 2011

WHAT REALITY? **WHAT ACTIONS?**

Traditional cooperation in trade of oil and gas

Hydrocarbons will remain dominant in the region

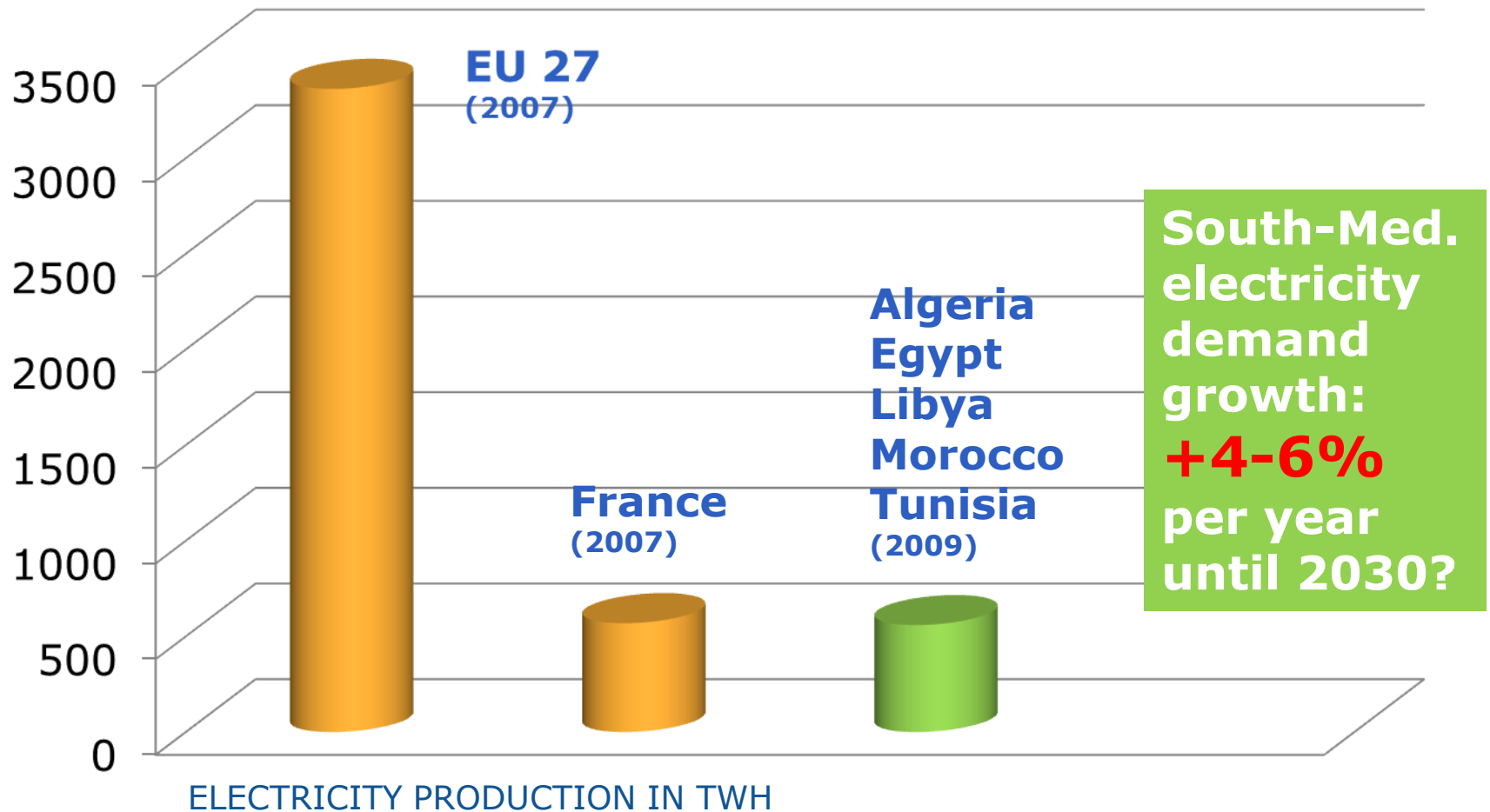
Total primary energy supply in Southern Mediterranean countries



Source: OME – Mediterranean Energy Perspectives 2011

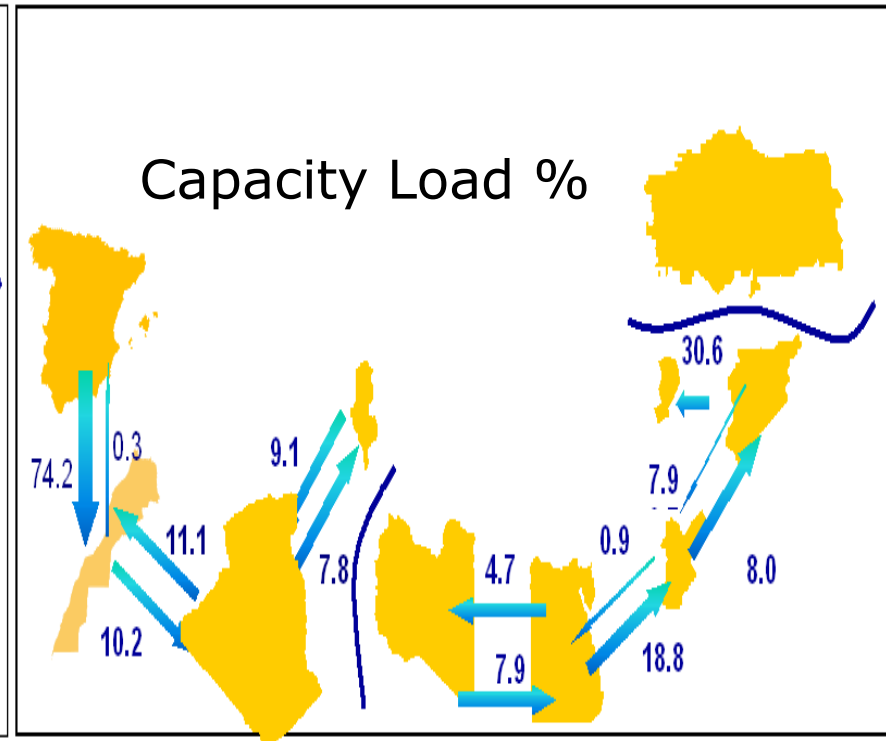
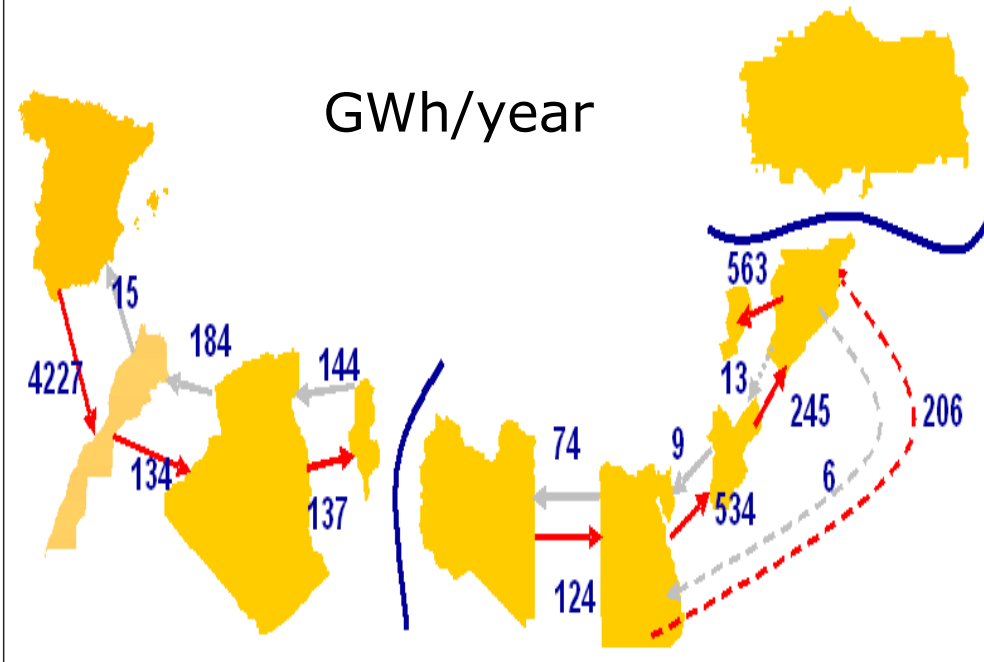
* "Conservative scenario"

MEETING THE ELECTRICITY DEMAND



MARKET INTEGRATION WOULD DECREASE COSTS FOR ALL...

Source: EU project MEDEMIP 2010

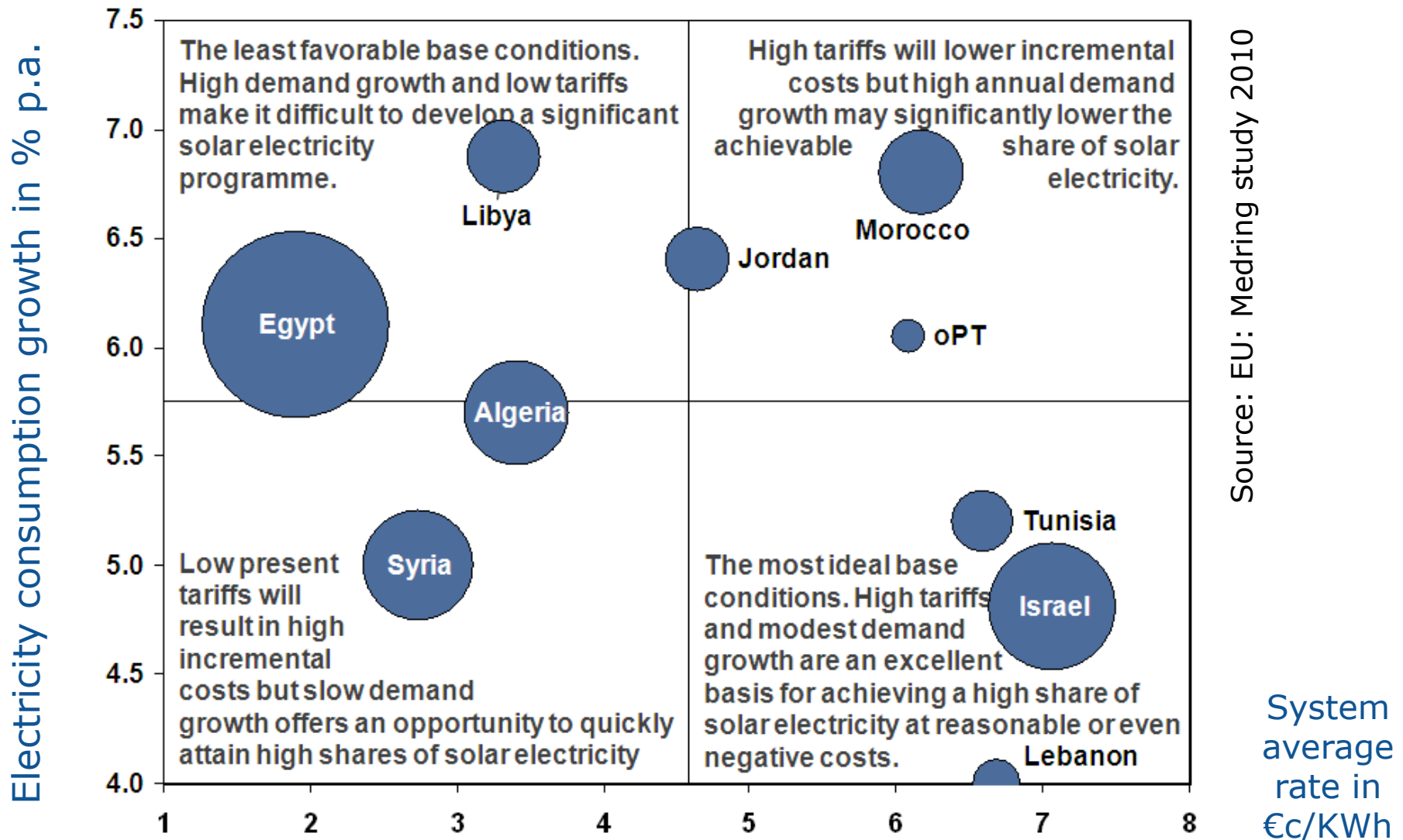


Today markets are fragmented, exchanges are modest and interconnection capacity underused

...AND FACILITATE RENEWABLE ENERGY INVESTMENTS IN THE REGION

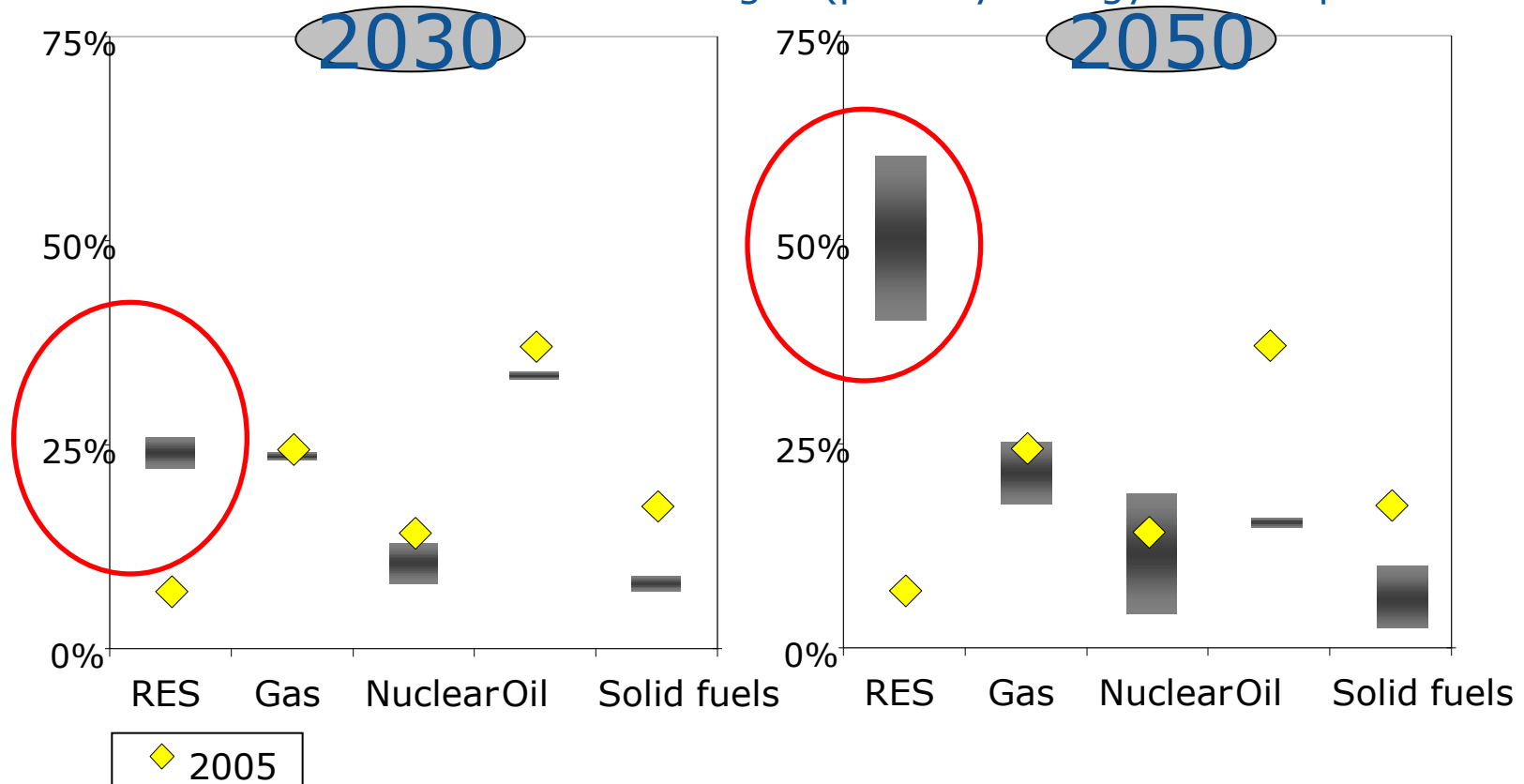
- RES already competitive under certain conditions (wind in Turkey, Morocco – PV as replacement of oil generators – isolated communities...)
- National RES plans in many countries with industrial dimension and long-term perspective
- Private investments if basic market conditions are created – including possibilities of regional trade

Potential to reach substantial RES share differs



ROADMAP 2050: RENEWABLES IS A NO REGRET OPTION IN ALL SCENARIOS

Decarbonisation scenarios - fuel ranges (primary energy consumption in %)



...SO, WHAT DO WE DO?

BILATERAL AND
REGIONAL
SUPPORT TO
ENERGY REFORMS

GRANTS AND
LOANS TO
ENERGY
INFRASTRUCTURE
AND RENEWABLE
ENERGY
PROJECTS

SUPPORT TO
REGIONAL
INTEGRATION
AND INDUSTRIAL
INITIATIVES

PROMOTION OF A
"MEDITERRANEAN
ENERGY
COMMUNITY"

BILATERAL AND
REGIONAL
SUPPORT TO
ENERGY REFORMS

- A differentiated approach to reforms
- Budget support programmes focus on energy sector reforms
- Ad-hoc technical assistance and twinning
- Important role of EU Delegations
- Important activities by EU Member States

GRANTS AND
LOANS TO
ENERGY
INFRASTRUCTURE
AND RENEWABLE
ENERGY
PROJECTS

EIB

NIF

EBRD

KfW,
AFD...

CTF
(WB)

Example:

Ouarzazate I



European
Commission

SUPPORT TO
REGIONAL
INTEGRATION
AND INDUSTRIAL
INITIATIVES



Energy

PROMOTION OF A
"MEDITERRANEAN
ENERGY
COMMUNITY"

- effective investment protection guarantees are essential in order to attract private capital
- functioning regional electricity markets
- preferential connection of renewable generation plants to the grid and access to transmission infrastructures
- authorisation regimes and/or the award of concessions shall be transparent and non-discriminatory

GUIDANCE ON
COOPERATION
MECHANISMS

- Guidance for MS and partners on the implementation of Article 9
- Legal requirements for target accounting under Renewable Energy Directive
- Options for design of pilot joint projects
- Engagement in joint projects will deepen discussion on electricity market

...in synergy with the UfM

BILATERAL AND
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PROMOTION OF A
"MEDITERRANEAN
ENERGY
COMMUNITY"

- The EU acts in close coordination with the UfM secretariat
- The EU is co-chair of the UfM
- Energy Ministerial meeting in 2013



Secretariat of the Union for the Mediterranean
Secrétariat de l'Union pour la Méditerranée

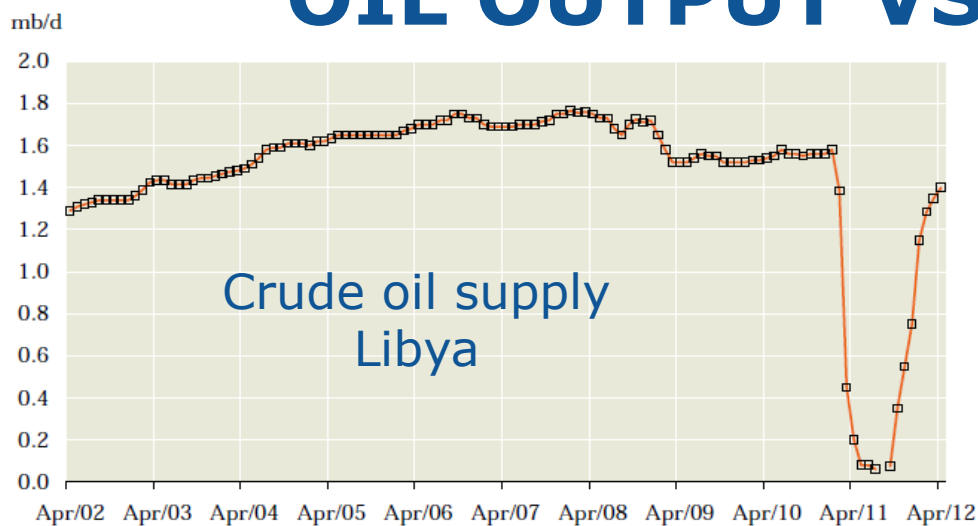
THANK YOU FOR YOUR ATTENTION

[HTTP://EC.EUROPA.EU/ENERGY/INDEX EN.HTM](http://ec.europa.eu/energy/index_en.htm)

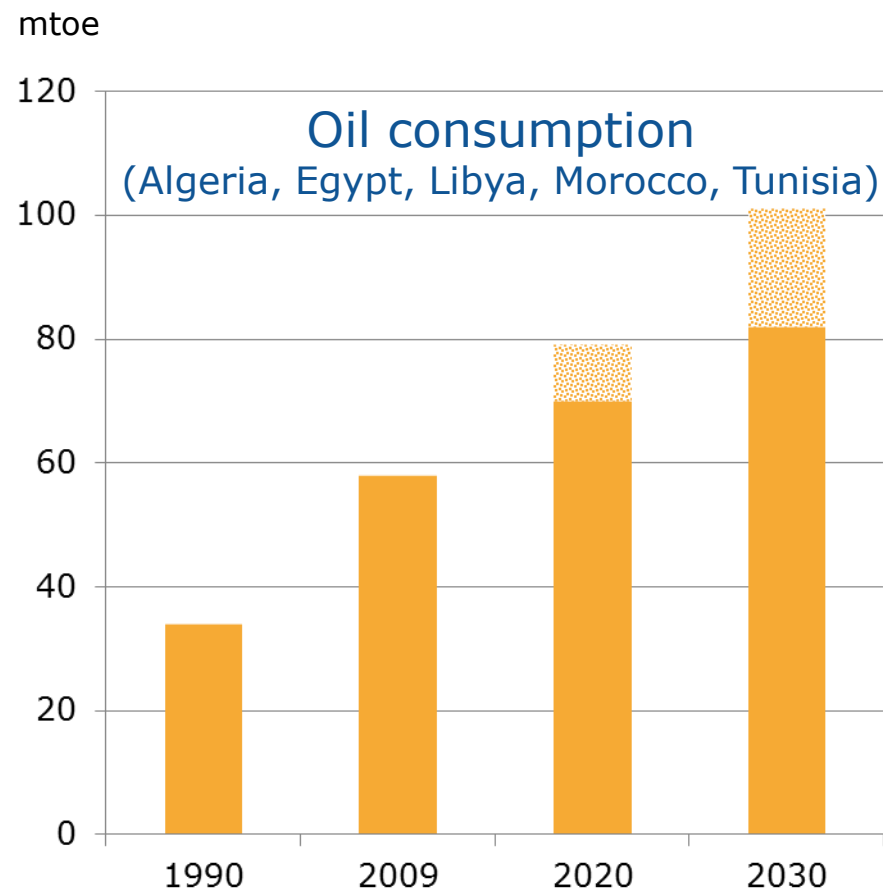
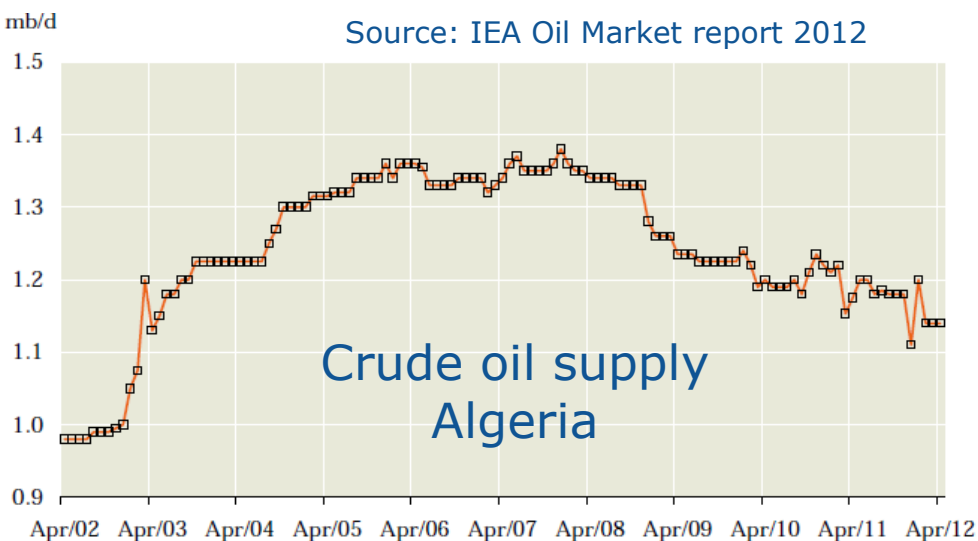
SOLAR: HOW TO BRIDGE THE PRICE GAP FOR EXPORTS?



OIL OUTPUT VS RISING DEMAND



Source: IEA Oil Market report 2012



Source: OME – Mediterranean Energy Perspectives 2011

THE GROWING IMPORTANCE OF GAS

European
Commission

Source: EntsoG 2012

