



**APSTE**  
Association for Production,  
Storage and Trading of Electricity

# Corporate Sourcing of Renewable Energy Opportunities enabling PPAs in CEE and SEE

**ETCSEE 2022**

**Budapest, 16.06.2022**

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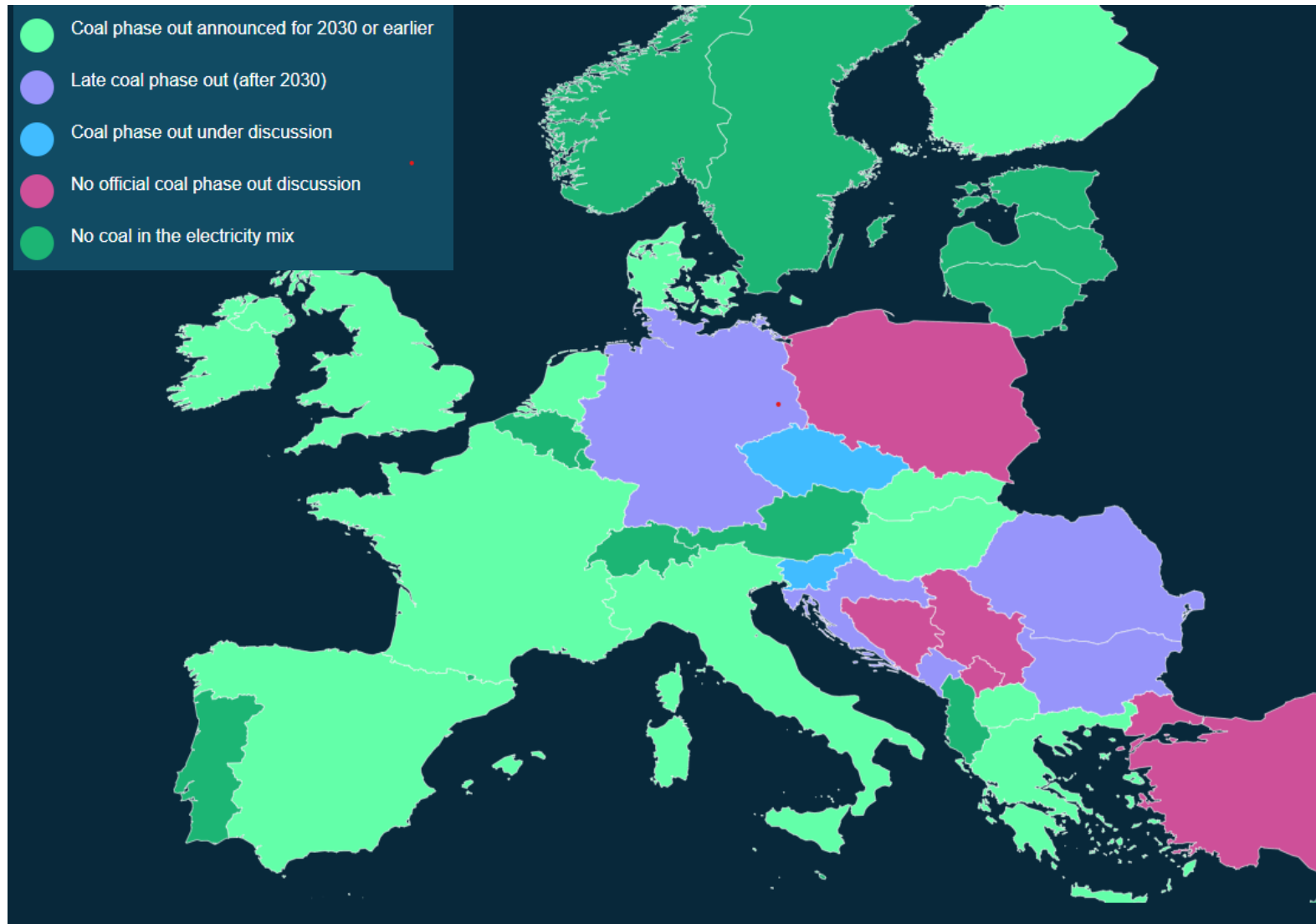


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- Decarbonisation goals
- Regional power market integration
- Renewable corporate sourcing in CSEE – drivers and challenges
- Re-Source Southeast Hub conference



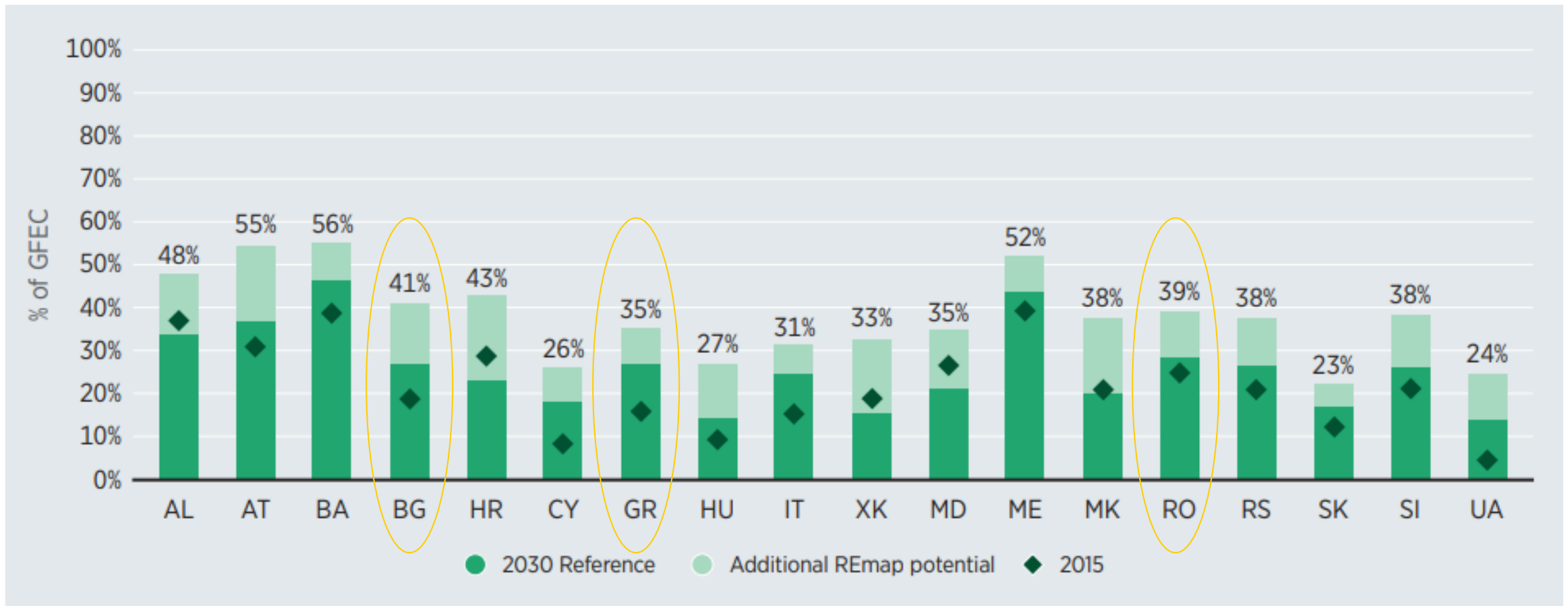
# Decarbonising the Electricity Mix in SEE



- Coal phase-out delayed in most countries in CSEE region
- Massive RES deployment needed to replace outgoing TPP generation
- Industrial consumers and SMEs looking at renewables to cut costs
- First phase – investment in on-site solar from 100 kW to 100 MW
- Next step - Corporate PPAs start taking off but shaped by uncertainties
- Lenders prefer long-term PPAs but off-takers seem to be risk averse

# Additional potential for RES in gross final energy consumption

By stepping up RES investments, the EU economies in Southeast Europe could cover on average 38% of their energy demand cost-effectively with renewables.



Source: IRENA analysis, Renewable energy prospects for Central and South-Eastern Europe Energy Connectivity (CESEC), 2020



# Regional power market integration



- Market coupling further increases regional power markets liquidity and ensures homogeneous wholesale prices :
  - Bulgaria's intraday market segment has been coupled with the Romanian power exchange (OPCOM) since Nov 2019
  - Day-Ahead Market Segment has been coupled with Greek DAM since May 2021. Greek power exchange is linked with the Italian exchange. Interconnection capacity is reinforced and will reach 1.5 GW by 2023
  - Day-Ahead Market Segment was coupled with OPCOM in October 2021. OPCOM is already linked with Hungarian (HUDEX) and Czech's PX. The free capacities for trading on the Bulgarian-Romanian border are around 700-800 MW for every hour.
- EU regulations oblige the TSOs to make available to market participants a minimum of 70% of net transmission capacity by 2024, and to increase the interconnection capacity to 15% (based on installed power production)

# Corporate renewable energy procurement in CSEE – rising demand and a few remaining roadblocks on the way

## Drivers



Cost & predictability



ESG targets



Independent power supply



Green values and image

## Roadblocks



Outdated or restrictive regulatory framework



Permitting and grid connection



Discrepancy between expectations of lenders and off-takers



Lack of experience with cPPAs; market maturity and liquidity



# RE-Source SEE HUB

European platform for corporate  
renewable energy sourcing

**RE-Source SEE Hub (resource-southeast.eu)** was established in 2021 by **APSTE** (Association for Production, Storage and Trading of Electricity) and **BGWEA** (Bulgarian Wind Energy Association), **Solar Power Europe** and **Wind Europe**.

Goals:

- promote renewable corporate sourcing in South-East Europe
- facilitate knowledge sharing and business collaborations in corporate sourcing of RES
- drive forward policy and market developments by simplifying administrative procedures
- favorable regulatory framework for widespread deployment of affordable and reliable power generation
- RE-Source Southeast - invite Romanian and Greek RES associations to create a regional RE-Source Hub



# RE-Source SEE HUB

European platform for corporate  
renewable energy sourcing

Sofia, May 31 – June 01 2022







# RE-Source Southeast 2022

## 2021

- **Romania** – applications for ca. 7 GW new RES
- **Greece** – pipeline exceeding 20 GW
- **Bulgaria** - 8.5 GW of new applications (500 MW at distribution level)

## TBD:

- What role for cPPA (Explore vs. Exploit) – lenders require cashflow visibility but may investors consider a merchant model?
- What would be the impact of 5 GW of new RES in 2022 and 15 GW by 2025 in SEE?
- May industrial consumers in CEE and SEE take a more active role in RES build-out?

## 2022

- **Romania** – applications for ca. 30 GW new RES
- **Greece** – pipeline exceeding 35 GW
- **Bulgaria** - 23 GW of new applications (1600 MW at distribution level)



**Thank you for your attention!**

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# Bulgaria National Recovery & Resilience Plan (NRRP)

## 1.4 GW RES + 1710 MWh storage tender scheme

Timeline	2022		2023				2024				2025			
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Tender structuring and launch</b>	✓	✓												
<b>Tenders</b>		✓		✓			✓		✓	✓				
<b>Construction</b>				✓										✓

- Starting in Q4 2022, 285 MW will be tendered, roughly every 6 months (5 tender rounds)
- CAPEX grant (project proposals will be ranked starting from the lowest grant requested per MWh)
- Storage component requires 4 hours duration for 30% of the installed capacity (100 MWp PV + BESS 30 MW/120 MWh)

# Bulgaria NRRP RESTORE: 1500 MW / 6000 MWh storage

Timeline	2022	2023	2024	2025	2026
	Q4	Q2	Q1	Q1	Q2
Tender	✓				
Storage operator contracts		✓			
Target capacity in operation			2000 MWh	4000 MWh	6000 MWh