

The DESERTEC Concept

**Possible Policy Developments that
Could Lead to the First Power Plants
and Transmission Lines in North Africa**

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Current Situation

- Lack of incentives for investments in renewable energy in North Africa
- Petroleum and natural gas are currently cheaper, climate protection is currently irrelevant
- Scarcity of resources is conceivable and already existent, but it has not yet led to noteworthy investment in renewable energy

Goal Prospects for Green Electricity in North Africa are Articulated at the EU Level

- Renewable Energy Directive
- The EU Commission's Energy Security Strategy
- Union for the Mediterranean: Cooperation with Renewable Energy

Renewable Energy Directive

- Physical import of green electricity from North Africa will be made possible (Art. 9)
- Member countries can implement Art. 9
- Third countries (countries outside of the EU) can contribute to the goal of 20% renewable energy by 2020
- Third countries can help to achieve the goals of EU Member States.

Goal Fulfillment

The policy framework, which will make the import of green electricity and the development of economic incentives possible

- a) EU-wide harmonisation with European guidelines for a Feed-in Tariff
- b) National policy to fulfill Art. 9 of the EU guidelines

The Transportation of Green Electricity Across Borders

- a) Transcending borders within the EU, for example, without an EU wide feed-in tariff, wind energy from the North Sea cannot contribute to the EU goals.
- b) Transcending borders outside of the EU, for example, Solar Energy from Africa, hydropower from Norway and Switzerland (closer borders due to bilateral agreements with Norway and Switzerland)

The Delivery of Green Electricity Over Borders Outside of the EU

- EU directive allows for the acquisition of energy outside of the EU, without opening green electricity trade to other EU countries.

Advantage: Countries leading the way with successful legislation, will not become a storage basin of green electricity for those countries that do not yet have successful legislation.

National Legislative Options in EU Member States for the Acquisition of Green Electricity Outside of the EU

- National Law
Difficult: Compatibility with the Feed-in Tariff Law must be created.
- Amendments to the Feed-in Tariff Law

Feed-in Tariff Amendments for the Acquisition of Green Electricity from Outside of the EU

Example: German Feed-in Tariff Law

Possibility: § 2 of the Feed-in Tariff Law could be used in North Africa:

- Until now it has been limited to green electricity from Germany.
- Open to other non-EU countries. Only one country can be chosen, for example, only North Africa.
- Consequence: Countries providing the green electricity would be guaranteed compensation by the feed-in tariff law
- **Problem:** This amendment could cause problems with the precise definition of compensation rates

Solution: New § XY in the Feed-in Tariff Law

- § XY allows for the physical acquisition of green electricity from North Africa
- § XY allows for the usual compensation rates to be used for, wind, solar from both thermal and photovoltaic sources, marine and geothermal power

Discussion Worthy: Compensation for Network Expansion

Problems:

- Conflict with the goal of unbundling
- Conflict with the reallocation of cost to the electricity consumer, because the cost of network expansion is usually funded through network charges, not the feed-in tariff

Concerns: The Feed-in Tariff allowances could become too high

- Currently: Limited network capacities, slow expansion
- Suggestion: Only allow the Feed-in Tariff for green electricity from North Africa for a set amount of time (only until 2015, for example)

Requirements for Legislative Development

- Comprehensive advice on the necessary costs for the development of networks and network coupling points, perhaps initially limited to one track: Morocco, Spain, France, Germany...
- Provides a basis for decisions on compensation rates and whether a individual countries own compensation rate is necessary for a network

Political Approach

- Initiatives from the EU Parliament and national parliaments
- Coordinated by the E-Parliament (www.e-parl.net)
- Initiative group in EU Parliament
- Initiative groups in national parliaments
- In Germany: A group compiled of all the parties is already in place. Their first meeting was April 4, 2009

Many Thanks
for your Attention!

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