

 Early Warning System

EBRD-19127

Support for the Implementation of Renewable Energy Auctions in North
Macedonia



Quick Facts

Countries	North Macedonia
Financial Institutions	European Bank for Reconstruction and Development (EBRD)
Status	Approved
Bank Risk Rating	U
Borrower	Government of North Macedonia
Sectors	Energy, Law and Government, Technical Cooperation



Project Description

As stated by the EBRD, at the COP28 conference in Dubai, North Macedonia launched a just energy transition investment platform to guide its far-reaching plans for a low-carbon and just transition of the electricity sector. The platform represents a milestone for the historically coal-dependent country and highlights its ambition to transform its energy sector and economy to a low-carbon, low-cost and secure paradigm. The platform seeks to combine government, international finance and private investment to reach 1.7GW of renewable energy generation by the end of the decade as well as grid and energy storage upgrades and measures to support communities affected by the energy transition. This will reinforce North Macedonia's existing commitment, as set out in its Nationally Determined Contribution, of reducing its net greenhouse gas emissions by 82 per cent by 2030 compared to 1990 levels. Of the targeted 1.7GW, at least 800MW of this capacity is intended to be supported by the Government through the introduction of a Contract-for-Difference (CfD) support scheme for low-carbon generation. CfDs incentivise investment in low carbon technologies by providing developers of projects with high upfront costs and long lifetimes with direct protection from volatile wholesale prices, while also protecting consumers from paying increased support costs when electricity prices are high. Generally, generators that meet predetermined eligibility requirements can apply for a CfD by participating in an auction in which different projects (potentially using different technologies) compete to win a contract with a designated, creditworthy support counterparty. Given their effectiveness, CfDs have been widely utilised across the European Union (EU) and feature prominently in the latest EU electricity market reform agenda, which includes a requirement for Member States to deploy two-way CfD mechanisms to support new RES capacity.

In this context, the Ministry of Energy in North Macedonia has requested technical assistance from the European Bank for Reconstruction & Development (EBRD). The key objectives of this assignment are to:

- Develop the detailed design for a CfD scheme for North Macedonia, including all of the supporting institutional arrangements for its implementation;
- Design a tender process through which CfDs will be awarded to project developers, and prepare all components of the associated tender package;
- Support the process of making any necessary legal amendments to run the CfD auctions;
- Develop a multi-year plan to auction CfD support to a target amount of RES capacity;
- Support the Ministry to carry out the first three rounds of CfD auctions.



Investment Description

- European Bank for Reconstruction and Development (EBRD)

The project consists of a technical cooperation project in favor of the Government of North Macedonia. Information on investment amount and project cost was not provided at the time of disclosure.



Contact Information

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ACCESS TO INFORMATION

You can request information by emailing: accessinfo@ebrd.com or by using this electronic form:

<https://www.ebrd.com/eform/information-request>

ACCOUNTABILITY MECHANISM OF EBRD

The Project Complaint Mechanism (PCM) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an European Bank for Reconstruction and Development (EBRD)-financed project. If you submit a complaint to the PCM, it may assess compliance with EBRD's own policies and procedures to prevent harm to the environment or communities or it may assist you in resolving the problem that led to the complaint through a dialogue with those implementing the project. Additionally, the PCM has the authority to recommend a project be suspended in the event that harm is imminent.

You can contact the PCM at: pcm@ebrd.com or you can submit a complaint online using an online form at:

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You can learn more about the PCM and how to file a complaint at: <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>



Other Related Projects

- EBRD-11932 Support for the Implementation of Renewable Energy Auctions in Kosovo
- EBRD-11195 Support for the Implementation of Renewable Energy Auctions in Georgia
- EBRD-10271 Support for the Implementation of Renewable Energy Auctions in Moldova
- EBRD-11199 Support for the Implementation of Renewable Energy Auctions in Azerbaijan
- EBRD-16189 Support for the Implementation of Renewable Energy Auctions in Montenegro