Renewable Electricity in the WB6 Region and CBAM

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Electricity as CBAM good, WB6

- **Electricity as unique good – time factor**

Commercial ≠ Physical

Commercial	**Physical**
⇓	⇓
H-1 latest	**Real Time**
⇓	⇓
Market	**TSOs**

- **WB6 as unique territory**

Encircled by and fully interconnected with EU countries

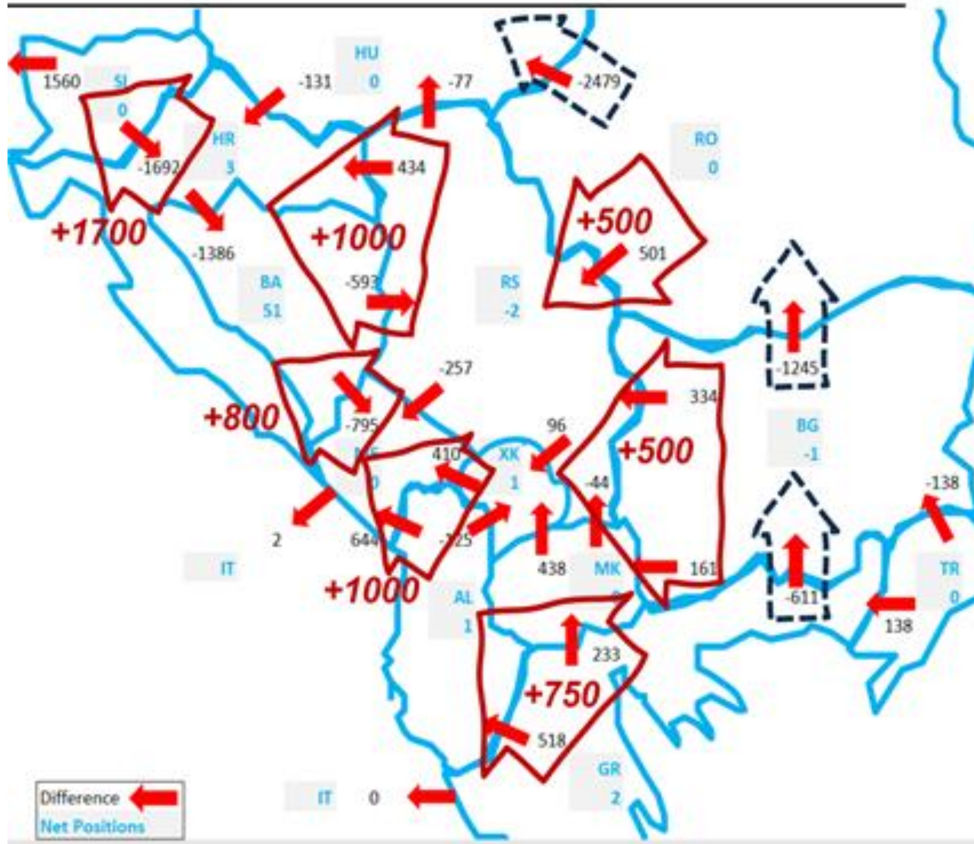
= no risk of further leakage

Scheduled exchanges D-1

09.02.2025_11-12h

Difference: Flows – Schedules

09.02.2025_11-12h



- Very high differences compared to scheduled exchanges
- High portion of schedules from Eastern Balkans to Western Europe, physically realizes over Western Balkans

- Data source: ACER presentation,

  ECRB WG/Athens Forum
  4-5 June 2025

Renewable Electricity Faces Fossil-based CBAM Charge

- Fossil fuel coefficient applies to each and any MW of electricity imported to EU

- Application of real emissions factor:

Physical congestion	
PPA with producer	to be communicated
PTR nomination	with Verifier
Less than 550 gr/kWh	on monthly level

- ETS/Carbon price in place in 3rd country = EU renewable imports pay higher CBAM cost than fossil fuel imports

MNE ETS 2024 = 24 EUR/ MWh

EU ETS 2024 = 65 EUR/MWh

CBAM = EU ETS

CBAM fee = CBAM - ETS paid

CBAM for Fossil fuel =

65 - 24 = 41 EUR/MWh

CBAM for Renewables = 65 EUR/MWh

CBAM Charge Discourages Renewable Investment

- **CBAM impact in the view of renewable investor in WB6:**
  - **PPA as a prerequisite for financing by investment Banks**
  - **PPA Counterparty?**
  - **Market maturity and liquidity**
  - **Capture rate 2024= cca 70%, 2025 ⇩**
- **Are renewables bankable without differentiated treatment under CBAM?**
- **Are WB6 renewables competitive on WB6 markets/EU markets?**
- **Invest in renewable in WB6 or rather not?**
- **Deceleration in WB6 green transition and missed opportunities for enhanced Market Integration**

BANK position

- **Financing subject to PPA**
- **5 years PPA, price 55-65 EUR/MWh**

Solar peak price 2024

HUPX	65 EUR/MWh
HTSO	65.5 EUR/MWh
CROPEX	68 EUR/MWh
OPCOM	70 EUR/MWh
SEEPEX	72 EUR/MWh
PTR cost	???
Balancing cost	**≈10% /≈7 EUR/MWh**
CBAM	**65EUR/MWh???**

Projects announced

			Avg load 2024
RS	**PV**	**1 000MW**	3 254 MW
BIH	**PV**	**>1 000 MW**	1 268 MW
	Wind	**700 MW**	
MNE	**PV**	**>1 000 MW**	343 MW
	Wind	**186 MW**	
MK	**Wind**	**400 MW**	625 MW

Way forward?

- **Ensure CBAM incentivizes—not penalizes—renewable projects**
- **Improve CBAM criteria in order to allow for actual emissions application (= 0 t/MWh) for renewables, not only average or fossil-based factors.**
    - **Congestion => TSO confirmation of hourly PTR nomination/usage**
    - **PPA => TSO/DSO measurements + BRP PTR nomination + PPA contract in place as a proof of renewable origin of electricity**
- **Leveling the playfield for WB6 renewable electricity in EU, allow for market driven acceleration of green transition in WB6**
- **Extend transitional phase for electricity till implementation clarity is reached**
- **Ensure further Renewable and Market Integration by focusing on Market Coupling implementation**

Thank you for your attention