Minutes AUE/MEDELEC/Dii Workshop hosted by STEG

Enabling renewables integration in the electricity system: The benefits of regional cooperation among Arab countries

Hotel Africa, Tunis, 16.04.2014

On April 16th, the Arab Union of Electricity (AUE), Dii and MEDELEC jointly organized a workshop “Enabling renewables integration in the electricity system: The benefits of regional cooperation among Arab countries” dealing with renewables system integration and regional cooperation, hosted by Tunisian utility STEG.

The workshop was well attended with more than 80 participants representing utilities, ministries, TSOs and international institutions from Europe, Africa and the Middle East. Speakers included high-level representatives from some of the most relevant institutions in the region, namely AUE, Dii, ESCWA, IRENA, LAS, Medgrid, RCREEE, RTE and STEG.

Introductory remarks

Mr. Ben Daly, CEO of STEG, highlighted the importance of regional grid integration and cross-border interconnections for reducing oil dependency and security of supply in Tunisia and elsewhere. In addition, he presented Tunisia’s plans for renewables development and asked to renew the discussion on an interconnection between Italy and Tunisia

Mr. Fawzi Kharbat, Secretary General of the AUE, provided an extensive overview on cross-border transmission lines among Arab countries, market rules/regulations and renewables penetration. According to AUE’s projections, the share of renewables in some of the Arab countries will reach numbers as high as 20% in the year 2020.

Mr. Alain Regnier, MEDELEC, highlighted the importance of strengthening grid integration among Arab countries to increase security of supply in all power systems.

Mr. Paul van Son, CEO of Dii, focused on the benefits a Mediterranean supergrid could bring as well as the importance of regional integration for renewables development.

Keynote Speech

Mr. André Merlin, President of Medgrid, gave a brief keynote speech on Medgrid as an industrial initiative for the development of interconnections between the Northern and Southern shore of the Mediterranean. He highlighted that Medgrid’s studies prove the economic feasibility for interconnections across the Mediterranean.

Session I: Benefits of Renewable Energy in Europe, North Africa and the Middle East

Mr. El Analoussi, Chief of the Energy Section at the United Nations Economic and Social Commission for Western Asia (ESCWA), presented data on existing and projected renewables capacity among ESCWA member states. Currently, in the 22 ESCWA countries 11GW renewable energy capacity exist, consisting of 80% Hydro and 20% Wind and Solar. The current renewable energy plans of these countries sum up to 100GW.
Mr. Taoumi, Regional Program Officer MENA at IRENA, gave a presentation on the Pan Arab Clean Energy Initiative. This initiative aims at the strengthening the East-West interconnections in order to enlarge the Pan-Arabian electricity market, integrate renewable energy into the grid and exchange power among countries.

Mr. Harrabi, Director of Renewable Energies and Energy Efficiency at STEG, highlighted the challenges Tunisia’s power system is currently facing: The dependence on natural gas imports, the increasing price of electricity and need for subsidies, as well as the increase in peak demand. He further outlined Tunisia’s plans for (renewable) generation build-up.

Mr. Godron, Director Regulation and Markets at Dii, gave an extensive presentation on renewable potentials and power system development among Arab countries. He emphasized the fact that cost-competitive projects for renewable generation exist already today in all countries of the Arab region. While these projects can be easily developed from an economic and technical perspective, regulation often renders them commercially unattractive. Further, he focused on the importance of cross-border interconnections for power exchange between countries.

Mr. Kraidy, Advisor to the Energy Department at the League of Arab States, presented on the LAS’ Pan-Arab strategy for renewable energy development. He also highlighted recent developments in this respect such as the drafting of the Arab Renewable Energy Framework and the implementation of National Renewable Energy Action Plans.

Session 2: Facilitating RE integration: Options for integrating renewable in the grid

Mr. Mahmoud, Head of Projects and Technical Affairs at RCREEE, gave a detailed presentation on the technical impact of renewable energy on electricity networks. He highlighted the possibilities of renewables balancing and their costs.

Mr. Michal, Deputy Manager Business Development Middle East and Africa at RTE, presented a case study on how RTE deals with the grid integration of renewable energies in French power system. He specifically focused on the impact of intermittent generation on power system management.

Mr. Soyah, Analyst Power Systems at Dii, illustrated Dii’s tool to calculate the capacity credit of renewable projects. He highlighted the importance of the concept of renewable energy capacity credits in order to account for renewable energies in power system planning.

Session 3: Interconnections between Arab countries and across the Mediterranean

Mr. Kharbat, AUE, gave a presentation on the status quo of the Arab power sectors. He focused on the status of existing interconnections between Arab Countries, and between Arab Countries and Europe.

Mr. Godron, Dii, presented an unpublished study on options for 2030 grid development between the Arab countries and Europe to foster the integration of renewables (to be published in June 2013). The study outlines the most feasible options to integrate the power grids across Europe, North Africa and the Middle East.
Mr. Merlin, Medgrid, gave a presentation on the economic and technical feasibility of cross-Mediterranean interconnections. He highlighted that an interconnection between Italy and Tunisia would be most efficient to realize among all possible options across the Mediterranean. The investment would reach breakeven already after 6 years of operation.

Mr. Ruderer, Manager Regulation and Markets at Dii, concluded the workshop with a presentation on appropriate international transmission policies for the development of a Mediterranean transmission grid. In particular, the need for international planning, cost-allocation and governance structures was highlighted. He also emphasized that sufficient political commitment is needed for any transmission project to be realized.