

Country Presentation: Supporting Schemes - A detailed look on systems in place

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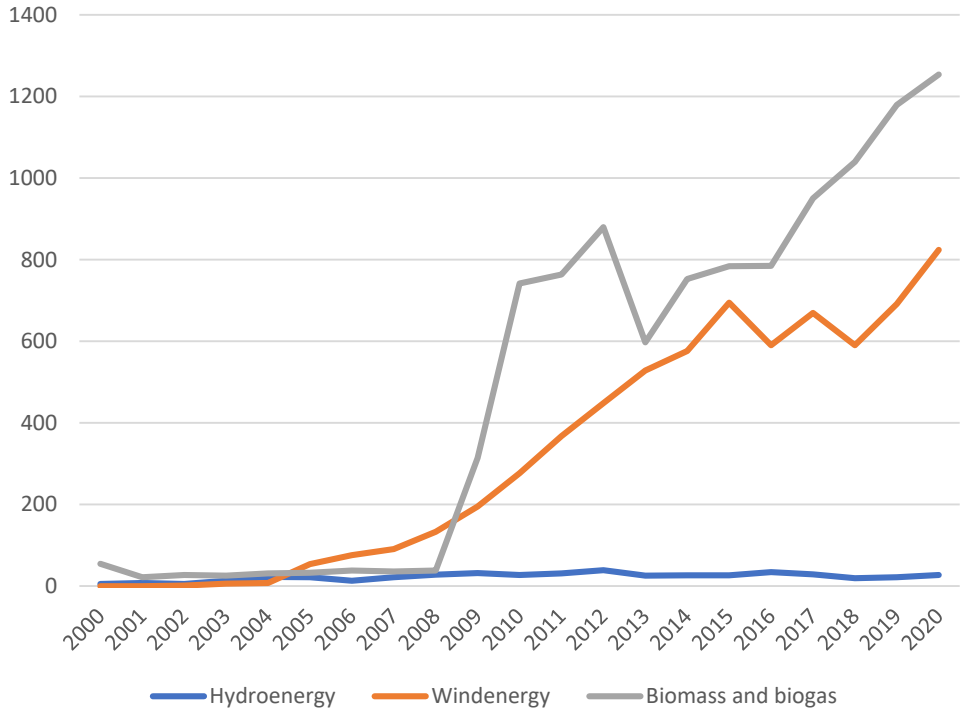
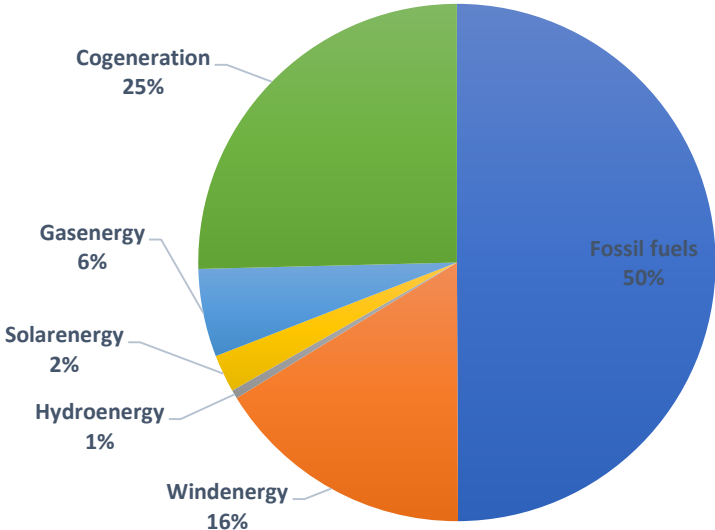
General strategy of the supporting scheme

- To achieve renewable energy targets in energy mix!
- First supporting scheme in Estonia was introduced at 1998. DSO's had obligation to buy renewable energy in fixed price.
- In 2007 was changed the supporting scheme and renewable energy producer could get directly financial support („Old scheme“).
- In 2018 in the legislation was introduced renewable energy auctions („New scheme“).
- Renewable energy support is payed by TSO. TSO manages renewable energy support scheme system.
- Renewable energy support is financed by consumer. Taking into account the amount of electricity consumed by consumer.

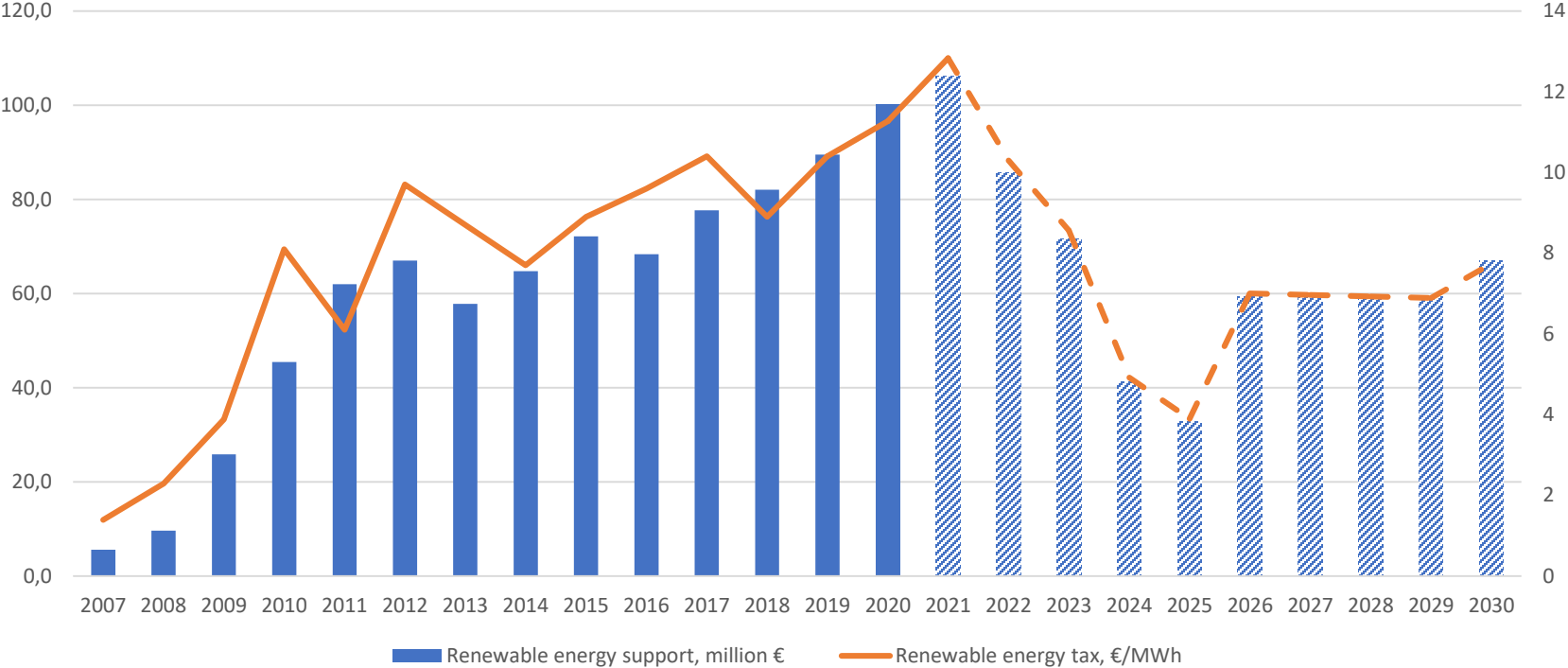
General strategy: Technological focus or prioritization

- According to Electricity Market Act the supported renewable energy sources are: water, wind, solar, wave, tidal and geothermal energy sources, landfill gas, sewage treatment plant gas, biogases and biomass.
- Estonia has launched three renewable energy auctions. Auctions have been technology neutral.

General strategy: Key figures about RES (1)



General strategy: Key figures about RES (2)



Supporting system: Investment grants, feed-in-tariffs, etc.

- „Old scheme“ - renewable energy producers could get support 12 years. Financial support is 53,7 euros/MWh if electricity is produced from wind, solar. etc. The support is 32 euros/MWh if the electricity produced by biomass, waste through efficient cogeneration.
- „New scheme“ - The support is given 12 years and support maximum is 53,7 euros/MWh for wind, solar etc and 32 euros/MWh for efficient cogeneration if electricity is produced from biomass, waste.

Supporting system: Strengths and weaknesses

- + Investors have 12 years additional profit from renewable energy support.
- + System is simple. TSO manages system and every year calculates new renewable energy tax for consumers. Renewable energy tax is put on the consumer invoice.
- Support is taken from consumers. Support is depending on the consumer consumption. More you consume, more you have to pay renewable energy support.

Supporting system: Positive/negative impacts/results

- Renewable energy support system helped Estonia to achieve renewable energy target. Estonia set target 25% share of renewable energy in gross final consumption in 2020. Estonia achieved the goal already in 2011. In 2019 share of renewable energy was 31,9%.
- Estonia has set new target for 2030 to increase share of renewable energy to 42%.
- Consumers have paid renewable energy supports approximately 900 million euros and it is prognosed that consumers pay together 1,5 billion euros for support.
- Renewable energy support is on consumer bill. In 2021 consumer renewable energy tax was 11,3 euros/MWh.

Future aspects: Supporting scheme in the future

- In Estonia legislation is introduced renewable energy auctions. Auctions have decreased renewable energy support. In the „old scheme“ was fixed tariff 53,7 euros/MWh. In the auctions we see support approximately 10-15 euros/MWh.
- Estonian regulator has made analysis and we see that cost of technology has been decreased. Therefore, we are in opinion that some of the renewable production units should be built without support in the future.
- Estonian regulator has stated we should move to market based mechanism and step by step remove renewable energy supports.

Thank you!

