

**EU – MEDITERRANEAN – GULF
RENEWABLE ENERGY CONFERENCE**

9th October 2009, Brussels

Statement by

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Minister of Economy

The former Yugoslav Republic of Macedonia

Dear Ladies and Gentlemen,

The need for energy is increasing and it is a big challenge, but we cannot forget our children and their quality of life – it is our responsibility to ensure a sustainable energy development – so, in this view there is no doubt that renewable energy is a must!

The effort of renewable energy is a global concern and it requires inevitably a common approach and coordinated activities. Today, I am here to share our views and experience and moreover to listen what is EU and other countries doing in this field.

However, each country has to do its own homework. My country is seriously committed in renewable energy development. In this spirit, last year in Bon I signed the act for founding IRENA. Also, as a candidate country for joining the EU we are closely following what are the renewable energy initiatives.

We believe that we have a chance in these initiatives, as there are favorable conditions for using the renewable sources of energy like hydro power, geothermal energy, solar energy, biomass and wind energy. Hence, promoting investments in renewable energy as well as **higher inclusion of the renewable sources of energy in the energy consumption are one of the main strategic goals** of the Government of Republic of Macedonia in the energy sector. This is important for the security and cost-effectiveness in the energy supply of consumers, as well as creating conditions for sustainable energy development.

In the **upcoming period**, 400 small hydro power plants are planned to be built by granting concessions, and three big hydro power plants are planned to be built which will significantly improve the usage of the hydro power potential. Implementation of projects for construction of wind power plants is expected in near future for which there is especially great interest.

The basis of the **legal framework** for regulating the energy sector in Republic of Macedonia is the Law on Energy. So as to stimulate higher exploitation of renewable energy sources, the Law on Energy imposes the need for a Strategy for Utilization of Renewable Energy Sources that will define the goals for exploitation of renewable energy sources and the manners in which such goals are to be achieved, and in particular: the potential of renewable energy sources, the feasibility of the exploitation of the renewable energy potential, the range and dynamics for introduction of the consumption of renewable energy in the energy balance, defining of transitional support measures for renewable energy exploitation through feed-in tariffs for qualified electric power producers, and other support measures.

The Strategy for Utilization of Renewable Energy Sources is in the phase of preparation and it is foreseen to be finalized till the end of December 2009. The Strategy will give a detailed review of available resources of renewable energy in Republic of Macedonia and the possibilities for their further utilization. It will also define the entire percentage of the electricity generated from the privileged producers that generate electricity from renewable energy, as well as the manner and dynamics of achieving the targeted percentage for the final consumption of renewable energy till 2020. With this, Republic of Macedonia should also start to achieve the goals defined by the EU in this area.

Republic of Macedonia is **actively monitoring the acts passed by the European Union in the area of renewable sources of energy** and at the same time prepares the national legislation harmonized with the EU regulation. As a contracting party of the energy community Republic of Macedonia participates in the recently established Renewable energy task force, which main task is to analyze the impact of the new Directive in the contracting parties and to propose measures and time frame for its adaptation in the context of energy community. The recently passed **new EU Directive on the promotion of the use of energy from renewable sources**, the new

obligatory targets are given for participation of the renewable sources of energy in the total energy consumption for each EU member country. According to the Directive the basic year is 2005, in which in Republic of Macedonia the renewable sources of energy participate only with **15.3%** in the total energy consumption. The goal which in accordance with the Directive should be achieved until **2020** should be **21.4%** for Republic of Macedonia,.

Recently, as stimulating measures for **promoting investments** in the renewable energy, feed-in tariffs have been adopted for purchase of electricity produced from small hydro power plants, wind power plants, power plants on biogas and photovoltaic systems. In 2007/2008, the Energy Regulatory Commission adopted implementing legislation and pertinent decisions for determining the **feed-in tariffs** guaranteed for a period of 20 years. For stimulating usage of solar energy in the households special program for subsidizing is being implemented.

At the end, dear colleagues, ladies and gentlemen, I am convinced that this initiative will give strong impact to our further policies and actions and I strongly believe that results will be achieved.