



Transitioning to a climate-neutral electricity generation

Deliverable 7 - Action plans
**Preliminary list of
actions**



In association with:



1 Preliminary list of actions

1.1.1 Recommended actions

Topic	Actions	Relevant pathways
Planning approval process	Set a detailed and politically accepted onshore and offshore spatial planning strategy, which clearly identify designated areas, capacities deployed and related infrastructure needs	All pathways
	Update the legal framework surrounding the approval process for renewable installations, including the creation of a single approval procedure and single contact point for large projects (e.g. offshore wind farms). The contact point will coordinate inputs from other relevant authorities	All pathways
	Establish maximum allowable time-limits for all stages of the planning process, including the approval of the environmental impact assessment;	All pathways
	setup a group of sectoral experts, national defence and representatives from the civil society to resolve conflicts concerning proposed development sites. Options should be considered whether such a group could play a formal role in the appeal process.	All pathways
Planning resources	<p>Dedicate additional human and financial resources at national level (e.g. experts, commission studies, prioritisation in approval processes) to support projects of national interest (e.g., large offshore farms). See below (Institutional Reform) for an action concerning a new agency</p> <p>support local administrations with additional resources when project proposals are submitted.</p> <p>Solutions may include:</p> <ul style="list-style-type: none"> • Providing additional budget • Providing experts (secondments) • Providing tools to facilitate the process • Providing training to administrators in charge of managing the process 	<ul style="list-style-type: none"> • By 2030 - Renewables + Storage, AT- No net imports, nuclear • By 2050 - all pathways
Further supporting actions to speed up the planning process	Make the inclusion of new promising renewable energy production areas mandatory in local statutory, thematic and special plans, and link payments from the local government equalisation fund to this requirement;	All pathways
	Prescribe by law the baseline studies that must be carried out for the encumbered marine area, the list of which will be definitive and delimited by the EIA	All pathways

	programme. The results of the studies will be finalised by the EIA expert group and the decisions to be taken as a result of the studies to be binding on all parties	
	Create an opportunity for local municipalities to benefit from those renewable investments in their jurisdictions i.e profit/revenue sharing with municipalities	All pathways
Institutional reform	Set up an energy agency, in charge of supporting the deployment of the pathway. For example, the agency may take charge of research, support to planning process, of issuing grants, and of dealing with stakeholders. The agency may also be charged with supporting responsibilities, for example concerning energy efficiency.	<ul style="list-style-type: none"> • Renewables + Storage • All technologies • All techs + No net imports • All techs + 1000 MW dispatchable capacity
	Setup of a nuclear regulator, which is able to guide Estonia to comply with the various EU and international nuclear conventions and oversee the involvement of private investors.	Nuclear
	Review the mandate of the Competition Authority, to include more explicitly new gases and CO2	CCUS
New framework for investment risk reduction instruments	Simplify and incentivise the uptake of PPAs by: <ul style="list-style-type: none"> • Issuing standardised contracts (template) that can be easily adapted by generators and users. • Promote actions to aggregate end-users' demand. These could include a guarantee system provided by Kredex to lower risks. • Extend the obligation of procuring electricity via PPAs to all public and government-participated organisations. • Consider incentives for business that opt to make use of PPAs. This may require the setup of a stronger Guarantee of origin system. 	All pathways
	Amend the current renewable auction scheme. A new scheme would maintain the reverse auction system and still be tied to output (MWh) rather than capacity (MW), as this makes it easier to control the costs. However, an amended scheme could be based on: <ul style="list-style-type: none"> • a feed-in-premium (Dutch style). In this case the compensation is equal to the difference between the base rate and the correction amount. The base rate is equal to the production costs of renewable electricity, heat and gas while the correction rate is the market price of renewable electricity, heat 	All pathways

	<p>and gas. Both the base rate and the correction rate would be technology dependent.</p> <ul style="list-style-type: none"> • A Contract for Difference scheme (UK style). It has the advantage of limiting the risks for developers and investors (as it guarantees a minimum price) while at the same avoid excess profits in case of high wholesale prices. In event like current situation of high prices, consumers would recover their costs. 	
	<p>Extend the current size of guarantees provided by Kredex and develop a broader framework for government guarantees, so that when the need arises investors know what they can expect. Guarantees will be needed for technologies with longer payback period (e.g. nuclear, CCU)</p>	<ul style="list-style-type: none"> • Nuclear pathways • CCU
	<p>Co-investing and sharing risks - Central Bank to buy green bonds or golden shares issued by project developers to signify public interest and lower perceived risks.</p>	All pathways
	<p>Move all or part of the funding for renewable electricity to the gas bill.</p>	All pathways
Supporting actions to de-risk investments	<p>Energy bill support for vulnerable households (extend current scheme);</p>	All pathways
	<p>Energy storage build-up, for example included as a standard term in PPAs (see relevant action under financial incentives). The key risks with issuing further price support contract is that it may incentivise too much simultaneous generation, with negative effects on prices (cannibalisation).</p>	All pathways
Financial incentives for RES for households and SMEs	<p>Setup an on-site small scale renewable generation support scheme, in combination with other actions to incentivise building renovation. The scheme would incentivise mostly rooftop PV installations. The scheme could:</p> <ul style="list-style-type: none"> • Provide a feed-in tariff for exported electricity • Finance all or part of the installation costs, with lower prices for export 	All pathways excluding CCU
	<p>Offer a fixed grant or a support allocated via auctions for the installation behind-the meter batteries, which would encourage self-use and reduce network utilisation.</p>	<ul style="list-style-type: none"> • Renewables + Storage • All technologies • All techs + No net imports • All techs + 1000 MW dispatchable capacity
	<p>Offer a fixed grant or a support allocated via auctions for the installation of batteries at distribution level to provide flexibility services</p>	All pathways excluding Renewable gas and CCU

Power networks and infrastructure	Remove the double charging for network-connected storage (storage currently has to pay network charges when withdrawing and when injecting into the network);	All pathways
	Review of the current approach to DSM (rewards, conditions for entry, aggregators...) to incentive uptake	All pathways
	Review balancing responsibilities for smaller installations	<ul style="list-style-type: none"> • Renewables + Storage • All technologies • All techs + No net imports • All techs + 1000 MW dispatchable capacity
	Allow for the planning of the electricity interconnection of offshore wind farms in parallel with a planning procedure, which would include the selection of the location of the submarine and onshore cables and the onshore power line, as well as the preparation of the technical solution and the final granting of the building right. Deadline for implementation: 3rd quarter 2022;	<ul style="list-style-type: none"> • Mostly relevant to: <ul style="list-style-type: none"> • By 2030 - Renewables + Storage, AT-No net imports • By 2050 - all pathways (CCUS very minor)
	Consider alternative funding mechanisms for key offshore infrastructure. For example, transmission assets can be extended towards development sites so to reduce connection costs for new development.	Renewables + Storage, AT no-net imports
Involvement of the civil society	One-stop shops, to provide information and guidance to local communities.	All pathways
	Promotion of local action groups, to be involved since the early stages of renewable sites development	All pathways
	Actions to facilitate the uptake of Energy communities, for example showcasing success stories and lessons learned, and provide facilitation via local action groups.	All pathways
	Information campaign, launched together with a new renewable strategy, setting up clearly government priorities, actions and expected benefits	All pathways