Nero Project: an opportunity for a European Joint Project (JP) between the Netherlands and Romania

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NERO: 3 Projects, 2 Locations, 1 Gigawatt

- Romania has very suitable locations for onshore wind
- All relevant permits received; updates pending
- Local authorities supportive
- Financial close planned for Q2 2020
- The Nero project is offered to the Netherlands as an opportunity to reach its obligatory RE quotas faster
**Joint Project**

"Two (or more) countries agree to develop a specific project - with a developer - that is located in the host country while the RES production counts for the quota of the beneficiary country that takes the financial risk"

- Agreement between the two countries on how the renewable energy quotas are shared
- No physical delivery of electricity needed to the beneficiary country
- Joint-Project mechanism is the way to go forward in Europe to achieve the targets as a Union
Advantages of the NERO Joint Project

NL:
“a country too small to achieve its RE targets without cooperation”
• Contributes to national renewable energy targets
• Contributes to EU targets

RO:
“a country that already reached its RE targets and large enough to support additional capacities”
• Reviving investment in Renewable Energy without subsidies
• Local job creation
• Partnerships with local communes, substantial revenue sharing
• Investments in infrastructure
• Initial approach of EC in three party JP was financial investment by beneficiary country and host country.
• Turbine prices have come down while e-price went up. Therefore, projects have become commercially viable without subsidies.
• Bankability remains a major issue for RES projects.
• Therefore, NERO proposes a floor price guarantee by the beneficiary country: The Netherlands
  “Prevents market distortion on the local market and at the same time provides the necessary guarantees needed to finance the project.”
Current Joint Project Situation

• NERO is the first and currently the only European initiative proposing a Joint Project
  ➢ Strong support of EC
  ➢ Cooperation with Dutch embassy

• RED II reinforces the importance of the Joint Project cooperation mechanism in view of reaching EU 2030 RE targets

• More opportunities for Joint Projects in the coming years

• Integrated Single Electricity Market (ISEM) makes cross border transfer possible

"European Member States have to cooperate to achieve common goals"
Conditions needed for (subsidy free) RES projects

- Free PPAs for new RES projects should be made possible.

- Energy storage should be provided by balancing providers
  - Balancing Regulation 2017/2195/EC

- No upstream investments by developers
  - EU grid code: TSO responsible for network 714/2009/EC

- Romania to become member of AIB
  - Allowing EU wide sales of Guarantees of Origin
Next steps:

1. Dutch Government has taken the decision of principle to support JP and is currently evaluating the NERO offer

2. Contacts between Dutch and Romanian Governments about the Joint Project