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Estonia's energy strategy: directions and priorities

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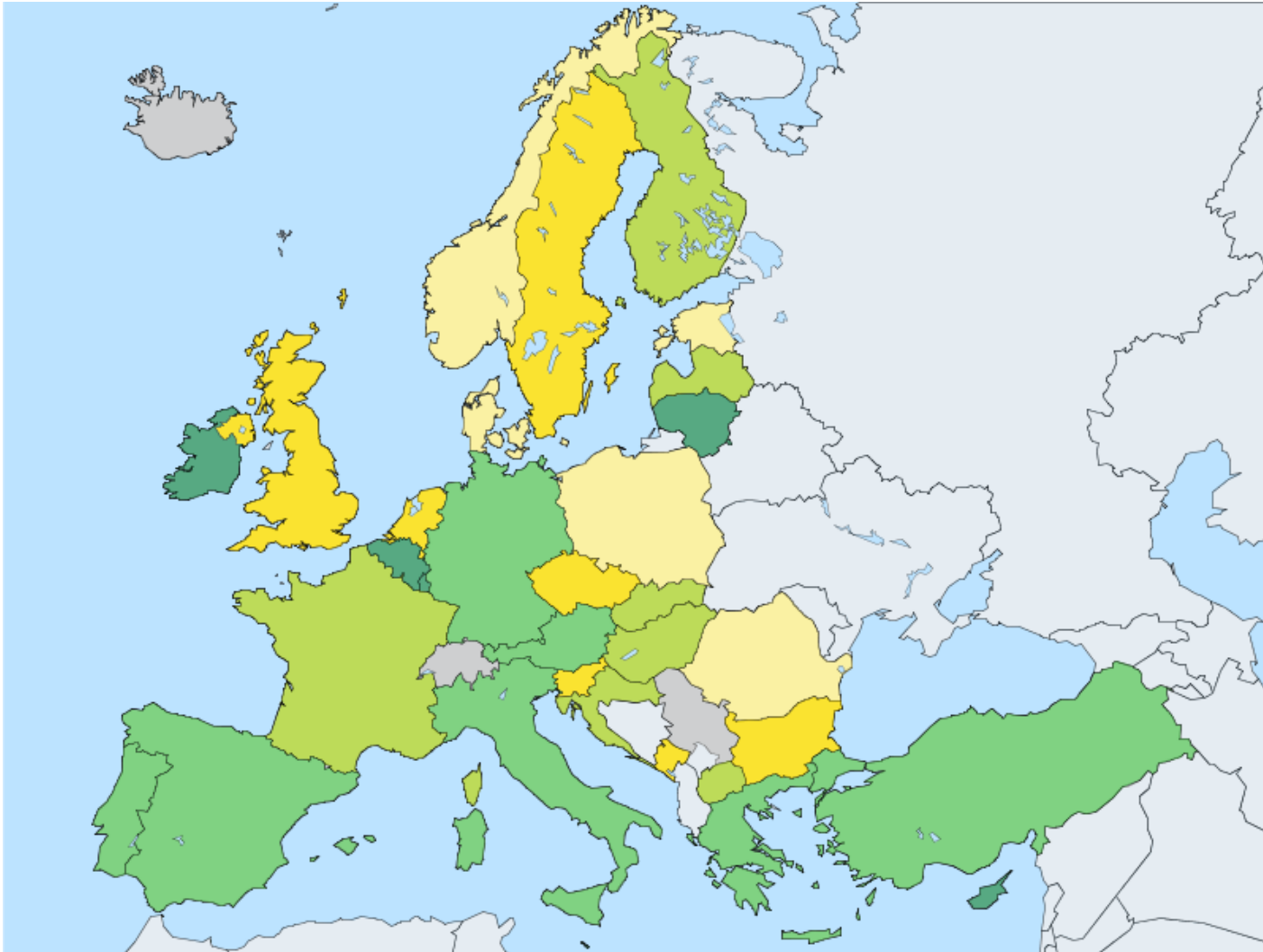


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Current trends in energy

Current trends in energy

Energy dependency 2013



Current trends in energy

Efficient use of energy, wider use of local resources

- Heating and housing
 - More than 600 block houses renovated through financial incentives
 - EU structural funds for renovation of living stock – 102 MEUR + ETS revenues
 - Implementation of BIM (Building information modeling) and e-construction
 - Activities towards introduction of nearly zero buildings
 - Support scheme for changing the oil boilers in family houses
 - EU structural funds for DH networks reconstruction and fuel switch - 78 MEUR + ETS revenues
 - Changes to the district heating act
- City lightning
 - 7 towns with fully renovated City lightning infrastructure

Current trends in energy

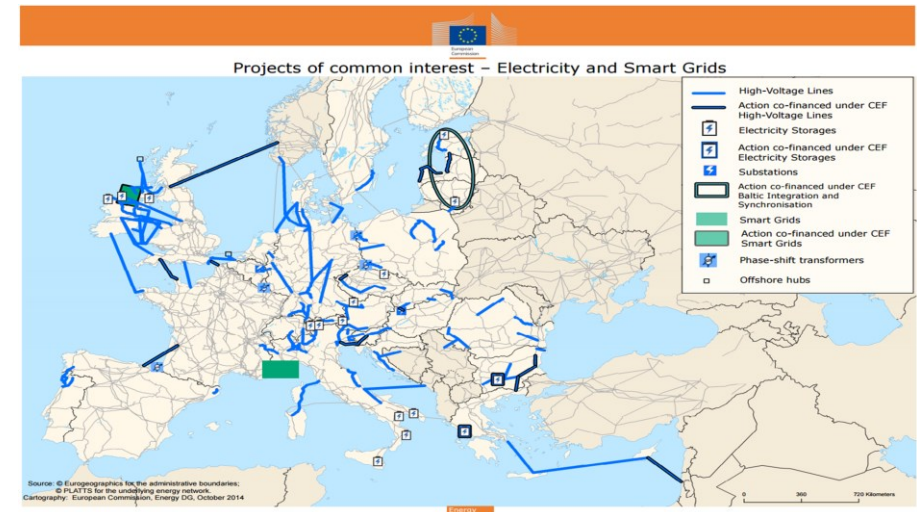
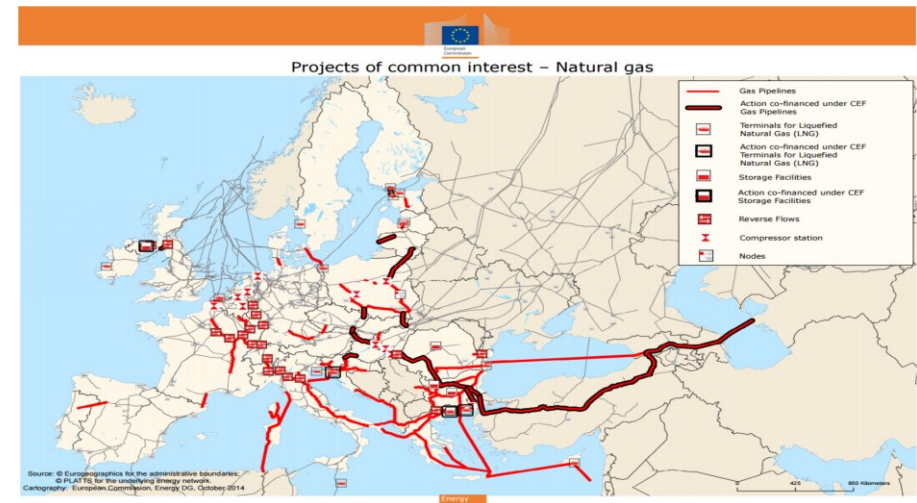
Efficient use of energy, wider use of local resources

- Transportation
 - Around 1000 electric cars + fast-charging network
 - Pilot projects on hybrid and gas buses, new trams in Tallinn
 - Changes to the liquid fuels act – blending obligation
 - Biomethane programme – EU structural funds 9 MEUR pilot + ETS revenues
- Electricity market
 - Renewables subsidy scheme and flexible cooperation mechanisms
 - Introduction of offgrid and energy union solutions

Security of energy supply

Infrastructure development

- Unbundling of TSO's
- Estlink 1&2, LitPol link, NordBalt
- PCI's and CEF grants
 - Est-Lat 3rd interconnection
 - GIPL
 - Balticconnector/Karksi interconnection enhancement
- Desynchronisation from NW Russia electricity system



Security of energy supply

Market development

- Baltic Energy Market Interconnection Plan (BEMIP)
 - NordPoolSpot Power Exchange in Baltic States introduced
 - Implementation of the third Energy package
 - Fully liberalised wholesale and retail electricity markets
- BEMIP 2.0
 - Signing of the MoU and AP in Luxembourg on 8 June 2015
 - Energy infrastructure development
 - Energy security and security of supply related issues
 - Further development of regional electricity and gas market
 - Development of renewable energy (new area)
 - Implementing energy efficiency measures (new area)
- Baltic Council of Ministers Energy Committee
 - Regional Gas Market Coordination Group



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Energy Market Development Plan 2030+

Energy Market Development Plan 2030+

**Mixed expectations on energy market
development** **Low energy prices!**

Can we also produce energy?

Energy security of supply!

Zero emissions from energy sector!

Don't ask anything from state budget!

Energy Market Development Plan 2030+

General target

Ensure to the consumers market based prices and access to the energy supply in accordance with the EU long term targets on climate and energy policy, at the same time contributing to the growth of Estonian economic welfare, competitiveness and environment protection.

Energy Market Development Plan 2030+

General target indicators

- Increase of the state budget revenues of 2% annually compared to the BAU scenario
- Decrease of the GDP energy intensity of 66% by 2030 compared to 2012
- Share of imported fuels in internal primary energy consumption less than 25% in 2030
- Fully in line with EU climate and policy objectives and targets

Energy Market Development Plan 2030+

Security of energy supply indicators

- Domestic power plant capacity to satisfy N-1-1 criteria until 2030
- Share of renewable energy 45% in final energy consumption in 2030
- Electrical capacity of CHP connected to DH 817 MW
- Share of weatherproof distribution grid 75% by 2030
- Synchronous work of Baltic States electricity system with Central-European one by 2025
- Share of largest supplier of natural gas less than 70% by 2030
- Balticconnector effective from 2019
- Share of renewables in DH sector more than 60% by 2030

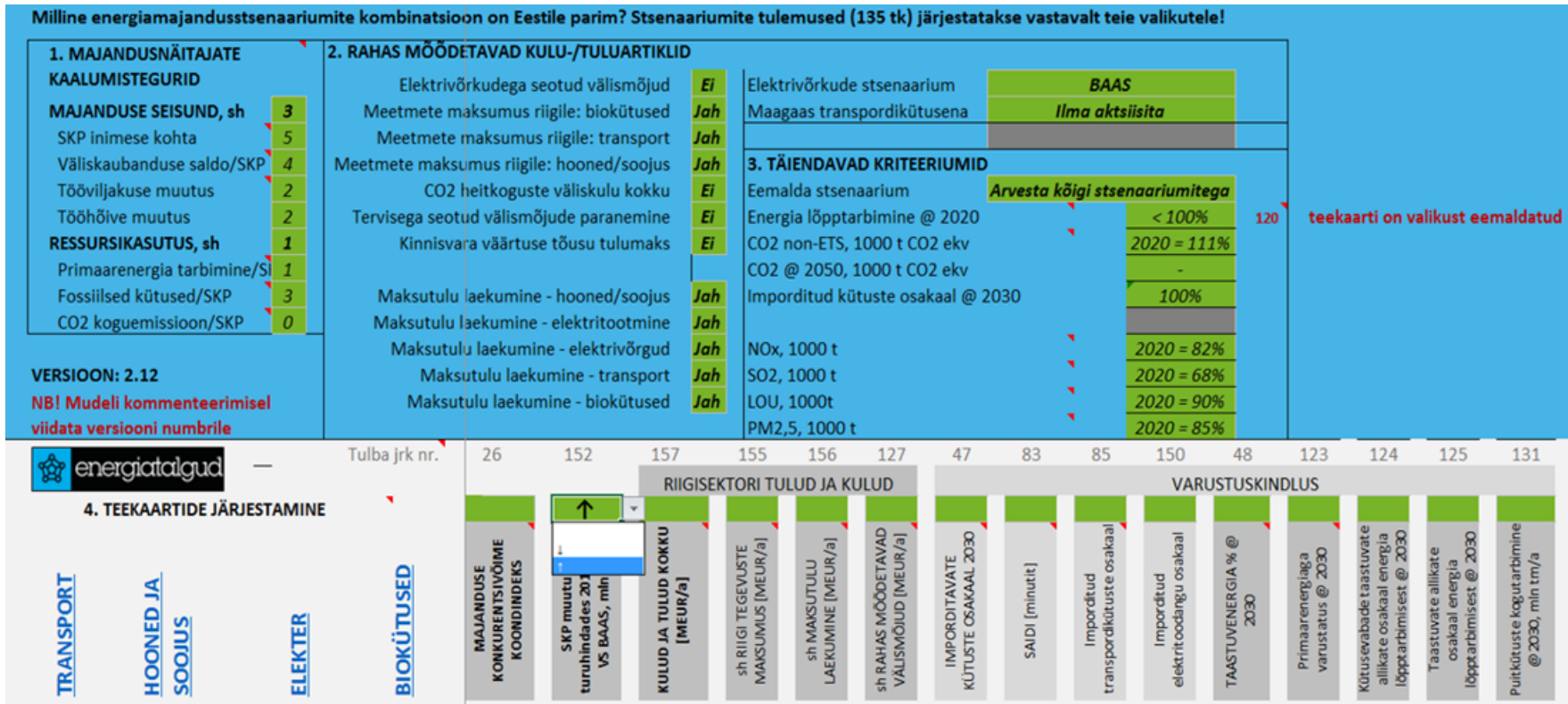
Energy Market Development Plan 2030+

Efficient use of primary energy

- Overall utilisation rate of oil share energy content 60% by 2030 compared to 40% (2012)

indicators

- 10% share of methane based fuels use in road transport by 2030
- Transportation fuel consumption in TWh in 2030 at the level of 2010
- Renovated area through state subsidies – 17 mln. m² of block houses and 10,4 mln. m² of individual houses
- Increase of improved energy class buildings 10 times



- 128 roadmaps
- Extensive involvement of experts, stakeholders
- www.energiatalgud.ee
- 28 different analyses

But not yet finished!



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Thank you!

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