

Unprecedented decision of Minenergo is not for wind power market's good

Russian Minenergo changed qualification regulations for generating units operating upon renewable energy sources.

On 05.02.10 the Russian Government has approved the Decree №58 “Making amendments to the qualification regulations for generating units operating upon renewable energy sources”. Long ago Russian Minenergo has voiced its aims to amend the Decree № 426 dated 3 June 2008 upon the order of qualification for generators operating on renewable energy sources. The Federal Law № 250-ФЗ dated 04.11.2007 stipulates a condition that the government shall stipulate “...regulations, criteria and the order of qualifying generating units which are operating on renewable energy sources in compliance with target indicators set in line with the major trends of state policy”. This condition could formally ground such decision, which means that nominally Minenergo must have checked “whether a certain generator complies with target indicators of state policy”. One can say, that the state policy was already stipulated in the Government Decree № 1-p dated 08.01.09 “Main directions of energy policy in the field of increasing energy efficiency of electricity based on using renewable energy sources up till 2020”. This document in particular prescribed targets for renewable energy sources in 2010 – 1.5%, 2.5% in 2015 and 4.5% in 2020. Nevertheless the problem is that the government hasn't said anything on how to reach these numbers (based on a type of technology).

It is clear now that we've missed 2010 and the state will not gain percentage increase mentioned in the Decree (counting from the law authorization date). It is not clear how the plans of some investors to introduce generating units based on renewable energy. i.e. in 2013 will be compared with 2.5% indicator for 2015. After all no other document was issued by the Russian Government or Minenergo which would specify these plans and their target indicators by technology and time limits.

What would happen if the generator applies to Minenergo and finds out that based on approved planned applications received from other investors for the corresponding years the set target indicators “are reached” (we put this phase in brackets because it will be possible to indentify whether the generator meets the target indicators only on actual basis). Then this investor leaves but the others (whose applications were accepted) have changed their minds and have not put anything into operation. Nobody will find and talk the first investor back... Plus there could be no responsibility taken if the voiced plans are not fulfilled.

In fact new decisions will make qualification procedures more complicated plus

generator's expenses will be higher. Even though it is possible that in the beginning Russian Minenergo meant efficient forecasting and managing the process to reach the target indicators, in fact none of this will come true. For small generators from remote regions the qualification procedure will become impossible to fulfill as there are no exceptions for small scale renewable energy sources and all these generators will undergo the general procedure.

Apparently Minenergo would like to "better" control generators' registration and qualification procedure tying them up with the scheme of electricity generating units based on renewable energy. This scheme will be devised and "put into force" by the ministry. Meanwhile such program doesn't exist and as far as I know nobody is commissioned to draft it. It's unclear how and by whom it will be designed and what methodology will ground the program. Therefore currently Minenergo has nothing to authorize. As there is no authorized scheme, nobody could undergo qualification.

The market Council has begun to discuss the start-up of renewable energy certificates issue in order to work the system through and to ensure its launch in the future. It is clear that nothing will be launched as there is no scheme to locate generating units based on renewable energy in Russia and therefore a non-existing scheme will not be authorized by the Russian Ministry of Energy. There will be no certificates as well and due to the same ground no new units based on renewable energy will be launched. Hence everything haults! Objectively, this decision hinders the state support policies for the renewable energy development.