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Renewable electricity generation
2007–2009
ESTONIA

Support for the use of renewable energy sources when generating electricity is regulated in Estonia by the Electricity Market Act (RT I 2003, 25, 153; 2009, 39, 262). The last significant change to the aid scheme for renewable energy sources was made in 2007 and has produced remarkable results, as shown in the table below.

Energy source	Production, GWh 2006	Production, GWh 2007	Production, GWh 2008
Wind energy	76.3	91	133
Hydropower	13.5	22	28
Other	38	36	38
Total	127.8	149	199

Electricity consumption has also increased:

2006	2007	2008
6 901 GWh	7 180 GWh	7 427 GWh

In 2008 the share of renewable energy sources in total consumption was 2.7%. Estonia's target is for 5.1% of electricity to be generated from renewable energy sources by 2010.

On the basis of data from the system operator (http://www.elering.ee/index.php?id=465) for the current year, it is highly likely that Estonia will meet its target a year early, in 2009. The rapid growth in the use of renewable energy sources in electricity generation can be put down to the aid scheme in place in Estonia. This entered into force on 1 May 2007 and significantly raised the level of support in comparison with the aid scheme used previously. The new aid scheme enables producers both to use the purchase obligation and to obtain aid for the electricity they have sold. It makes no difference whether the electricity is sold on the Estonian market or elsewhere. On 18 June this year the Estonian Parliament adopted an amendment to the Electricity Market Act, abolishing until 1 July 2014 the restriction on paying aid to producers generating electricity from renewable energy sources using facilities with a capacity exceeding 100 MW. Allowing aid to be granted to all producers of renewable energy, irrespective of the capacity of their facilities, will also help Estonia's largest electricity producer to take the decision to invest in reorganising its generation processes in order to use renewable energy sources and will thus assist in significantly reducing CO_2 emissions.

The development plan for the Estonian electricity sector, approved by Government of the Republic Ordinance No 74 of 26 February 2009, provides for an increase in the share of electricity produced from renewable sources to 15% by 2015. According to the development plan, Estonia's renewable-energy potential lies primarily in the co-generation of electricity and heat based on bioenergy, in wind energy and, to a lesser extent, in hydropower. Were the production capacity of hydropower to be increased to 10 MW, 45–55 GWh of electricity could be generated annually with an average quantity of water. The development plan also provides for an increase in the capacity of on-shore wind turbines to 400 MW by 2013. For this reason, the Government has started the process of amending the Electricity Market Act to increase the total amount of electricity produced using wind turbines for which aid is payable to 600 GWh per year (the current limit is 400 GWh). New power plants with a capacity equivalent to that of the wind turbines will have to be constructed to balance the turbines' unstable power generation. As the electricity sector develops in the future, there will need to be a reasonable increase in the use of renewable sources of energy and in production by co-generation plants, having due regard when using sources of energy to the full environmental impact of their life cycle and to all socio-economic factors. Peat, waste and biofuel have considerable energy potential for the operation of small, sustainable co-generation plants.

Estonia's action is in line with the national commitments made on the basis of the UN Framework Convention on Climate Change (under the Kyoto Protocol, Estonia must reduce emissions by 8% compared to the reference year of 1990). Data on Estonian emissions of greenhouse gases are available on the Eurostat website at http://ec.europa.eu/eurostat. In 2007, emissions in Estonia amounted to 51.7% of those in 1990.

Viive Šavel
Senior Specialist, Energy Department,
Ministry of Economic Affairs and Communications
+372 625 6448
viive.savel@mkm.ee