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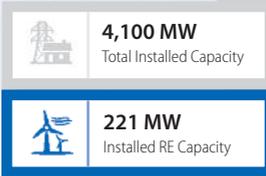
Armenia



General Country Information

Population: 2,969,081
 Surface Area: 29,740 km²
 Capital City: Yerevan
 GDP (2012): \$ 9.9 billion
 GDP Per Capita (2012): \$ 3,338
 WB Ease of Doing Business: 37

Electricity Generating Capacity 2012



- 
Biomass
- 
Solar PV
- 
Wind
- 
Small Hydro

Installed Renewable Electricity Capacity 2012 in MW

Technical Potential for Installed Renewable Electricity Capacity in MW

< 1	< 1	2.6	218
n.a.	39,700	500	300

Source: Babayan (2012); Danish Energy Management A/S (2011); UNDP & GEF (2012); Ministry of Energy and Natural Resources of the Republic of Armenia (2013); R2E2 & GEF(2008); World Bank (2014); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); and UNDP calculations.

Key information about renewable energy in Armenia

Armenia is a landlocked country without oil and hydrocarbon reserves. It is therefore highly dependent on imported oil and hydrocarbons (IFC & BMF, 2011). For that reason, the development of renewable energy sources is particularly important for Armenia. The estimated technical potential, if fully developed, could make the country less dependent on energy imports from neighbouring countries. The Law on Energy of the Republic of Armenia gives responsibility to the Public Service Regulatory Commission to determine tariffs each year for both new commissioned and existing generators, including technologic specific feed-in tariffs for wind, biomass and small hydropower plant producers (Glemarec et al., 2012).

RENEWABLE ENERGY SNAPSHOT:

Feed-in tariff in Armenia

Eligible technologies	Additional Condition	Tariff in € / MW-h excluding VAT
Wind	-	61.31
Biomass	-	68.15
Small and mini hydro	for natural water streams for irrigation systems for natural drinking resources	35.58 23.71 15.80

Source: R2E2 (2014) based on the Dram/Euro (1 March 2014)

The tariffs ensure guaranteed purchase of produced electricity for 15 years from commission. They are determined by the Public Service Regulatory Commission to ensure that all current and recurring capital costs are covered and a sufficient rate of return is provided. Armenia is 37nd in the World Bank's Ease of Doing Business index, rising by 3 places in 2013. Starting a business is relatively easy in Armenia (11th position) and better than in the United States of America (13th position) (IFC & World Bank, 2014).

Legislation and policy

Armenia's Strategic Development Program for the Hydro Energy Sector forecasts that, in 2025, 30 percent of Armenia's energy demand can be met by renewable energy (Ministry of Energy and Natural Resources, 2011). The country's Renewable Energy Roadmap, developed by Danish Energy Management and R2E2, defined targets for installed capacity of renewable energy sources to meet the forecast electricity demand. The targets are 197 MW installed renewable energy capacity by the end of 2013, 282 MW by 2015 and 545 MW by 2020 (Danish Energy Management A/S, 2011). The Law on Energy, adopted in 2001, regulates interactions between stakeholders in the electricity market, for example the 15-year electricity purchase guarantee by grid operators for electricity produced from renewable sources. The Law on Energy Saving and Renewable Energy regulates specific renewable energy issues, such as the definition of renewable energy. It also gives the Public Service Regulatory Commission regulatory power (Law on Energy Saving and Renewable Energy, Article 4.1). The Law on Licencing requires licences for power generators. The licences can be obtained from the Public Service Regulatory Commission. Foreign investment companies face the same tax regimes as Armenian companies. Specific tax exemptions and privileges may apply if the foreign investment exceeds AMD500 million (c. \$1.2 million) (ECS, 2008).

Institutions

Organization	Responsibility	Website
Ministry of Energy and Natural Resources (MENR)	- Responsible for energy policy development and implementation	www.minenergy.am/
Ministry of Nature Protection of Armenia (MoNP)	- Designated national authority for clean development mechanisms in Armenia and is responsible for the issuance of Letter of Approval for clean development mechanism projects - Responsible for the coordination of implementation of the UNFCCC in Armenia	www.mnp.am/ www.nature-ic.am
Public Service Regulatory Commission (PSRC)	- Independent regulator setting tariffs for electrical and thermal energy, transmission and distribution - Grants licences for generation, transmission and distribution in the energy sector	www.psrc.am/am/
Institute of Energy of the Ministry of Energy and Natural Resources	- Research and analysis of energy sector information, policies, regulation, technology in renewable energy and energy efficiency, project implementation	www.energinst.am
Renewable Energy and Energy Efficiency Fund of Armenia	- The Fund's objectives are to facilitate investments in energy efficiency and renewable energy sectors, and promote the development of these markets in Armenia through, for example, active participation in policy-making, removal of barriers, creating and developing opportunities for financial sector entities, and development of energy services	www.r2e2.am
High Voltage Electrical Networks (CJSC)	- State-owned transmission company constructing , operating and maintaining the transmission network	
Electric Networks of Armenia	- Monopolistic distribution company owned by Russian RAO UES	www.ena.am/
Armenian Development Agency	- State investment agency providing information and consultancy for foreign investors in Armenia	www.ada.am/

Opportunities to finance renewable energy projects in Armenia

Financing organization	Details	Website
KfW through German - Armenian Fund	A €40 million loan was concluded between KfW bank and the Central Bank of Armenia to promote utilization of renewable energies, by enhancing the access to loans for private entrepreneurs and enterprises.	www.gaf.am
Green Growth Fund	Provides direct and indirect (through financial intermediaries) financing for small scale renewable energy projects usually not larger than €50 million.	www.ggfl.u/
Asian Development Bank (ADB)	Asian Development Bank provides equity, loans and guarantees for private sector with clear development impacts as well as a sound rate of return.	www.adb.org/

Armenia

Financing organization	Details	Website
Eurasian Development Bank (EDB)	Prioritizes investment in power generating RES projects by granting debts ranging from \$30 to \$100 million.	www.eabr.org/e/
International Finance Corporation (IFC)	With investment (equity, loans and other financial instruments) and advisory services, IFC supports investment in renewable energy power plants.	www.ifc.org/
Armenian Sustainable Energy Financing Facility (ArmSEFF)	Financing of individuals and private Armenian businesses of all sizes and in all sectors for energy efficiency or renewable energy projects including free technical assistance.	www.armseff.org/
European Bank for Reconstruction and Development (EBRD)	Provides renewable energy developers with equity, loans and loan guarantees for projects with good commercial prospects of up to 15 years' duration.	www.ebrd.com/pages/workingwithus/projcts.shtml

Recent projects

Company	Project	Status
Constructed by Sunir (Iran) and now owned by High-Voltage Electric Network CJCS	Sunir constructed Lori 1 as the first and only wind farm in Armenia to date, with an installed capacity of 2.64 MW. It was built in 2005 at Pushkin Pass with a \$3.2 million funding.	Commissioned

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