

RENEWABLE ENERGY SNAPSHOT:



Estonia

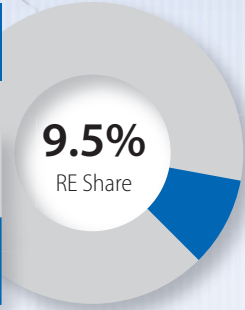
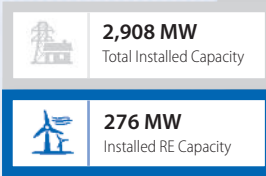


Empowered lives.
Resilient nations.

General Country Information

Population: 1,339,396
 Surface Area: 45,230 km²
 Capital City: Tallinn
 GDP (2012): \$ 21.9 billion
 GDP Per Capita (2012): \$ 16,316
 WB Ease of Doing Business: 22

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

0	< 1	269	7
2,900	40,500	3,400	40

Source: WWEA (2013); EurObserv'Er (2013); ESHA (2013); Renewable Facts (2013); INFORSE-Europe (2011); World Bank (2014); EC (2013), EIA (2013); Hoogwijk and Graus (2008); Hoogwijk (2004); JRC (2011); and UNDP calculations.

Key information about renewable energy in Estonia

Renewable energy accounts for 9.5 percent of Estonia's total installed electricity capacity. Estonia has beneficial conditions for the exploitation of renewable energy sources, particularly for wind and biomass. The country supports renewable energies through a feed-in premium. Wind, high-efficient combined heat and power biomass, biogas, hydro, solar and geothermal plants are eligible to receive the premium, which is granted for 12 years. There are no output caps, other than for wind power plants. When a threshold of 600 GW-h of annually produced electricity is reached, the premium for wind power plants is discontinued. Wind plant operators can only receive the premium if they do not receive any other subsidy from the state for the same plant. Only high efficiency combined heat and power biomass plants are eligible for the premium. In the World Bank's Ease of Doing Business indicator, Estonia is well placed in 22nd position (IFC & World Bank, 2014).

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Feed-in premium in Estonia

Eligible technologies					
Premium in €/MW-h	Wind	Biomass	Hydro	Solar	Geothermal
	53.7				

Source: Electricity Market Act (2013)

Legislation and policy

According to EU Directive 2009/28/EC on Renewable Energy, Estonia developed a National Renewable Energy Action Plan. The plan targets a national binding share of 25 percent renewable energy in gross final energy consumption by 2020 (Republic of Estonia, 2010). Renewable energy producers are not given priority in grid access and plant operators bear the grid connection costs. However, for selected technologies other incentives exist in the form of direct investment support from the state. Combined heat and power plants with project costs of more than €50 million can receive up to €3.5 million in grants from European Union Structural Funds for investment and grid connection. Farmers can be eligible to receive up to 60 percent, to a maximum of €512,000, from the European Agricultural Fund for Rural Development for investment costs in biomass plants or energy culture growth. Wind energy producers are eligible to receive up to €20 million in a round-based allocation of government funds from the green investment scheme for their investment costs (ResLegal, 2013).

Institutions

Organization	Responsibility	Website
Ministry of Economic Affairs and Communication	- Elaborates and implements the state's economic policy and economic development plans for energy	www.mkm.ee/en
Foreign Financing Department	- Manages, prepares and assesses the use of EU grants for the environment sector	www.enviree/67255
Estonian Competition Authority	- Approves prices for electricity - Approves methodologies for connecting with electricity - Issues and revokes activity licences for the production and sale of electricity	www.konkurentsiamet.ee/?lang=en
Elering	- Manages and operates the grid - Responsible for paying premium which will ultimately be transferred from the network operators to the end customer	www.elering.ee/
Investment and Trade Agency	- State Investment Agency responsible for attracting and consulting with foreign investors	www.investinestonia.com/

Opportunities to finance renewable energy projects in Estonia

Financing organization	Details	Website
Environmental Investment Centre	Supports investments for wind energy or combined heat and power projects with capital from CO ₂ quota sales.	www.kik.ee/en
Rural Development Foundation	Offers loans and guarantees to projects investing in rural economic development.	www.mes.ee/en
EU Structural Funds	The European Regional Development Fund, the European Social Fund, and the Cohesion Fund are structural funds which support also projects enhancing environmental protection.	www.struktuurifondid.ee/
European Investment Fund (EIF)	Gives loans only (no grants) to small and medium enterprises that: <ul style="list-style-type: none"> - have fewer than 250 employees - have a turnover of less than €50m and/or a balance sheet total of less than €43m 	www.access2finance.eu/en/Estonia/what_is_available.htm
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/projects.shtml
Enterprise Estonia	Provides financial assistance (guarantees and loans) and advice for start-ups using capital from EU structural funds.	www.eas.ee/et
Kredex	State-owned credit institute issuing loans and grants.	www.kredex.ee/

Recent projects

Company	Project	Status
Intercom Energy (Finland)	Commissioned wind farm Viru-Nigula, with 24 MW total power capacity.	Commissioned
Metso (Finland)	Constructs a combined heat and power plant with 15MW heat capacity and 6.4 MW electricity capacity in Oü Helme.	Under construction

Estonia

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