



25th OSCE Economic and Environmental Forum

**Renewables and Energy Efficiency in Azerbaijan
from a German Business Perspective**

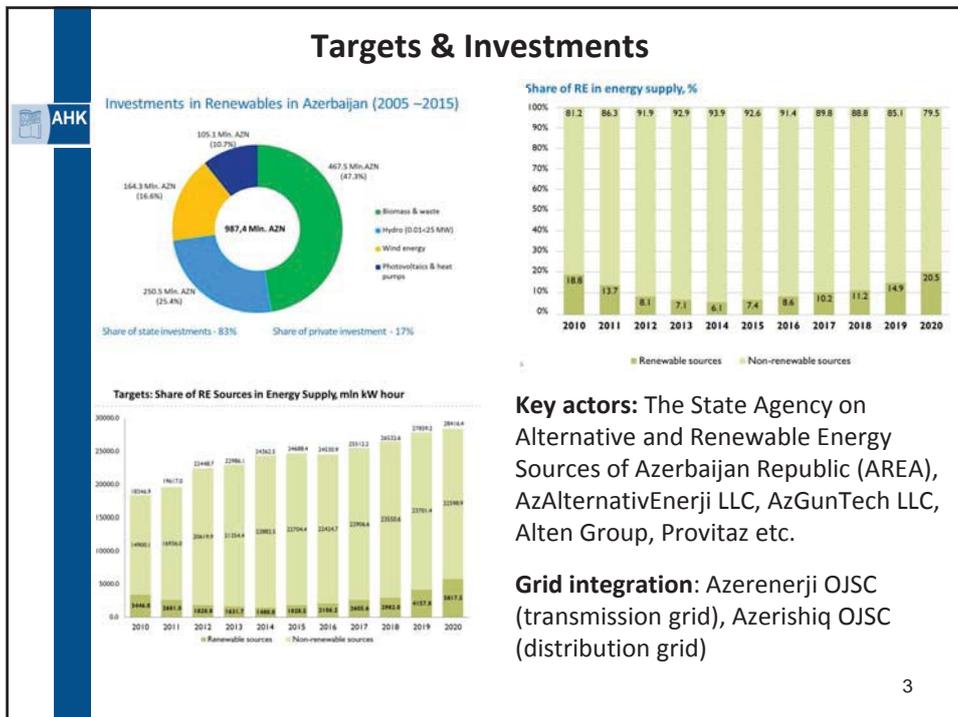
Tobias Baumann Astana, 15.06.2017



1. Renewable Energy

Policies	Projects
<ul style="list-style-type: none">• Lack of general legal framework• Regulations on Use of Electricity (similar to Grid Code) does not address renewables• Decision of Cabinet of Ministers “Free from Customs Duty”• No liberal market• Renewable energy tariff set out by Tariff Council• No subsidies	<ul style="list-style-type: none">• Hybrid PP (AREA)<ul style="list-style-type: none">• Gobustan Polygon– 5.5 MWt• Solar PP (AREA)<ul style="list-style-type: none">• Pirallahy Solar Power Plant – 2.8 MW• Surakhany Solar Power Plant – 2.8 MW• Wind PP (AREA)<ul style="list-style-type: none">• Yeni Yashma Wind Farm - 50 MW• Absheron Wind Farm (Mit PV-Komponente) – 80 MW• Private initiatives<ul style="list-style-type: none">• Wind turbines by Alten Group• Wind turbines by SOCAR

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Challenges

- Legal uncertainty
- Import technology
- Grid integration
- Excessive energy
- Low awareness
- Wind: costly, hard to find space
- Bio: not enough waste
- Access to finance

Advantages

- Solar: Production of solar panels and sunny days
- Solar: additional space not required
- Small hydro: lots of small rivers

Opportunities

RE support for agriculture
Samukh Agro-Energy Residential Complex (solar, geothermal and biomass (30 MW))

RE support for the solution of infrastructure issues
Wind Island – 1 Offshore Wind Farm (200 MW)

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2. Energy Efficiency

Policies and Challenges

- Lack of general legal framework
- Struggling with soviet mentality
- Energy efficiency mentioned in Urban Development and Construction Code
- “Regulations for increasing energy efficiency in construction projects and saving energy resources”, adopted by Cabinet of Ministers in 2014: responsible body not defined
- Reluctance to invest in energy efficient materials and technologies
- Energy prices increased in 2017 but still do not encourage energy efficiency
- Industry more interested in energy efficiency
- Plummeting oil prices and economic crisis in Azerbaijan

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Projects



White City Office Building. BREEAM GOOD Certified



SOFAZ building use green technologies



ADA University building using geothermal energy

Baku real estate survey. What reason could motivate energy saving behavior in Azerbaijan?

- Considerable increase in energy prices (38%)
- Realizing that this is the contribution to welfare of children and next generations (30%)
- Energy efficient technologies being in fashion (26%)

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Export Initiative

- Initiated by Federal Ministry for Economic Affairs and Energy
- Project implemented in cooperation with Renewables Academy AG
- 6 delegations from Azerbaijan to Germany and vice versa since 2014: Conferences and meetings
- Market analysis “Energy Efficiency in Industry” (2014), “Wind Power and Grid Integration” (2015) and “Energy Efficiency in Buildings” (2015)



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Thank you for your attention!

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