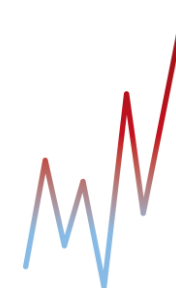




# North Macedonia: perspectives of an energy transition

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# Context & Highlights

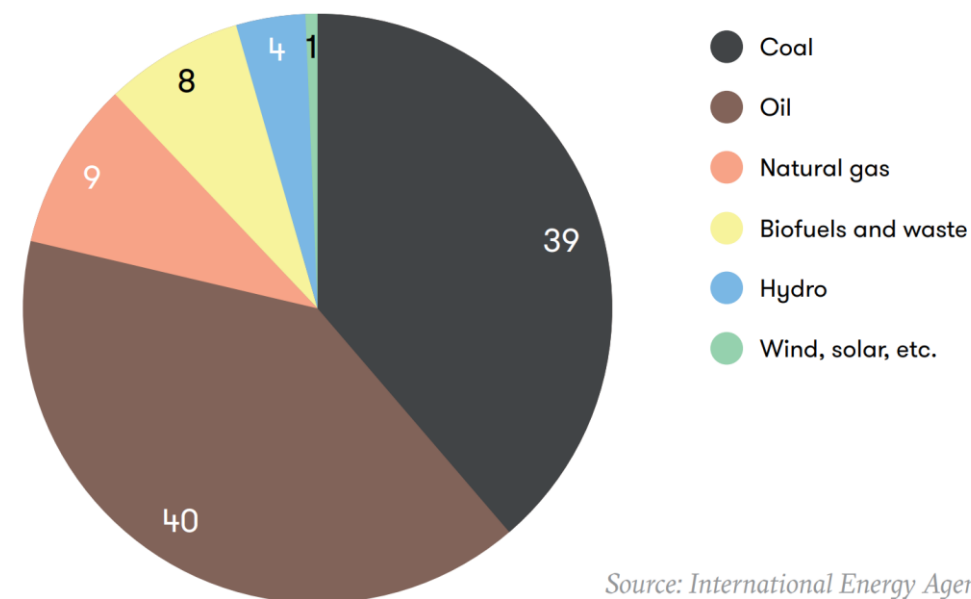
- North Macedonia has been in a more-or-less constant state of energy crisis from 11/2021 – linked to import dependency (incl. Russian gas) and lack of domestic electricity sources
- Situation puts in question goals and benchmarks from the National Energy and Climate Plan (first Energy Community party to adopt one, in 6/2022)
- Phase-out of the two remaining coal powerplants REK Bitola and REK Oslomej was intended to happen by 2027 but this target was later revised to 2030
- North Macedonia has built the first major wind farm in the region in 2014 but there was limited increase in installed capacity since; a larger project is under development in Virovi (by DE)
- Former coal mine Oslomej is being transformed into a photovoltaic park by Turkish and Bulgarian companies
- Reform of the energy sector and the establishment of environmental benchmarks are some of key challenges within the EU accession process



## Key challenges for the energy transition

- **Moving away from mining and burning lignite and reducing the share of electricity imports** while maintaining a stable and affordable supply.
- **Eliminating dependence on Russian gas imports**, in particular through participation in the EU LNG joint purchasing initiative, and thanks to the construction of a link to the southern pipelines transporting natural gas from Turkey and Azerbaijan.
- **Accelerating the introduction of carbon taxation** or an EU ETS-linked trading system to avoid the prospective negative impacts of the of CBAM.
- **Substantially reducing local pollution from coal-fired power plants, transport and heating of buildings**, one of the highest in Europe, with negative impacts on the health of the population and the economy.

Total energy supply by source, 2019 (%)



Source: International Energy Agency

Full factsheet: [https://www.amo.cz/wp-content/uploads/2022/11/western\\_Balkans\\_transition.pdf.pdf](https://www.amo.cz/wp-content/uploads/2022/11/western_Balkans_transition.pdf.pdf)



# What for Czechia and its companies?

- The National Energy and Climate Plan sets very ambitious targets that should spur the transition: 82 % net GHG reduction by 2030 compared to 1990, 38 % share of RES on gross energy consumption, 21 % energy savings of final energy consumption compared to BAU etc.
- The renewables sector is undergoing a real boom: Czech companies may want to explore opportunities particularly in the PV sector (especially small commercial and household-scale projects, which have a simplified permitting procedure since 2022, 6kW and 40 kW)
- Energy efficiency is a big issue and the insulation of buildings alongside exchange of heating sources (esp. to heat pumps) is also certain to offer substantial business opportunities
- Other investments will be needed in relation to the transition, including in grids, storage, demand-side management: there are already issues with grid stability due to PV intake
- Additionally, there will be the demand for the remediation of past environmental damages





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# **Thank you for your attention.**

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