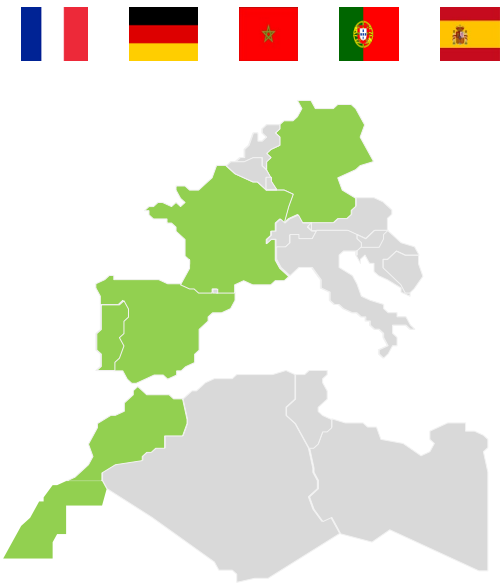
WHAT IS THE SUSTAINABLE ELECTRICITY TRADE ROADMAP INITIATIVE?

BACKGROUND

- ✓ Regional electricity market integration is key in achieving decarbonization of the power sector, as required to achieve the objectives of the Paris Agreement.
- ✓ Moreover, regional electricity market integration results in investment and operating cost savings and contributes to power system flexibility, through load aggregation and reserve sharing, (and therefore lower consumer prices).

MARRAKECH AND BRUSSELS JOINT DECLARATIONS

- ✓ November 2016: France, Germany, Morocco, Portugal, and Spain, signatories of the Marrakech Declaration, expressed their will to work together to develop a roadmap for sustainable electricity trade between Morocco and the European Internal Energy Market, the «SET Roadmap ».
- ✓ December 2018: In the Brussels JD, the SET countries agreed to focus in the short-term on establishing an open and free cross-border Green Corporate PPA market, while initiating actions for electricity market integration.



SET ROADMAP INITIATIVE

- ✓ To analyse the net benefits of increased RES electricity exchanges, resulting from electricity market integration.
- ✓ To identify investments, regulatory/legal changes, processes and procedures to enable free sustainable electricity trade between the five signatories.
- ▪ To formulate an implementation pathway for gradual market integration between 5 SET countries

✓ Completed
▪ In progress

RESULTS OF THE COST BENEFIT ANALYSIS OF RENEWABLE ELECTRICITY TRADE

BACKGROUND

- Cost-benefit analysis study undertaken as part of the SET Roadmap Initiative
- Objective: assess the costs and benefits of electricity trade between the 5 signatories and identify the investments, processes and procedures necessary to facilitate the exchange of green electricity

CONCLUSIONS

- The studies concluded that electricity market integration between the five countries has significant benefits for all countries:
  - Meeting demand at a lower cost
  - Developing the renewable potential of all countries and using resources where they are best
  - Reducing CO2 emissions
  - Reserve sharing and more efficient use of flexibility solutions
- Electricity market integration allows for the integration of renewables, enables fuel economy and operational cost reduction, all thanks to a better use of existing assets, a more efficient use of flexibility solutions (through means sharing)

- The interconnections reduce the needs of other flexibility measures, lead to synergies from existing flexibility solutions which allow to reduce important investments in flexibility means in Morocco
- Electricity market integration allows to better tap into renewable energy resources in all five countries, to develop a more significant renewable energy capacity and produce more electricity from renewable energy sources.
- Operational costs are also reduced thanks to a better use of existing assets and access to cheaper flexibility solutions allows for more renewable energies to be deployed

EURO-MEDITERANEAN INTEGRATION FOR A MORE RESILIENT REGION

CREATING A MORE RESILIENT AND COMPETITIVE MARKET

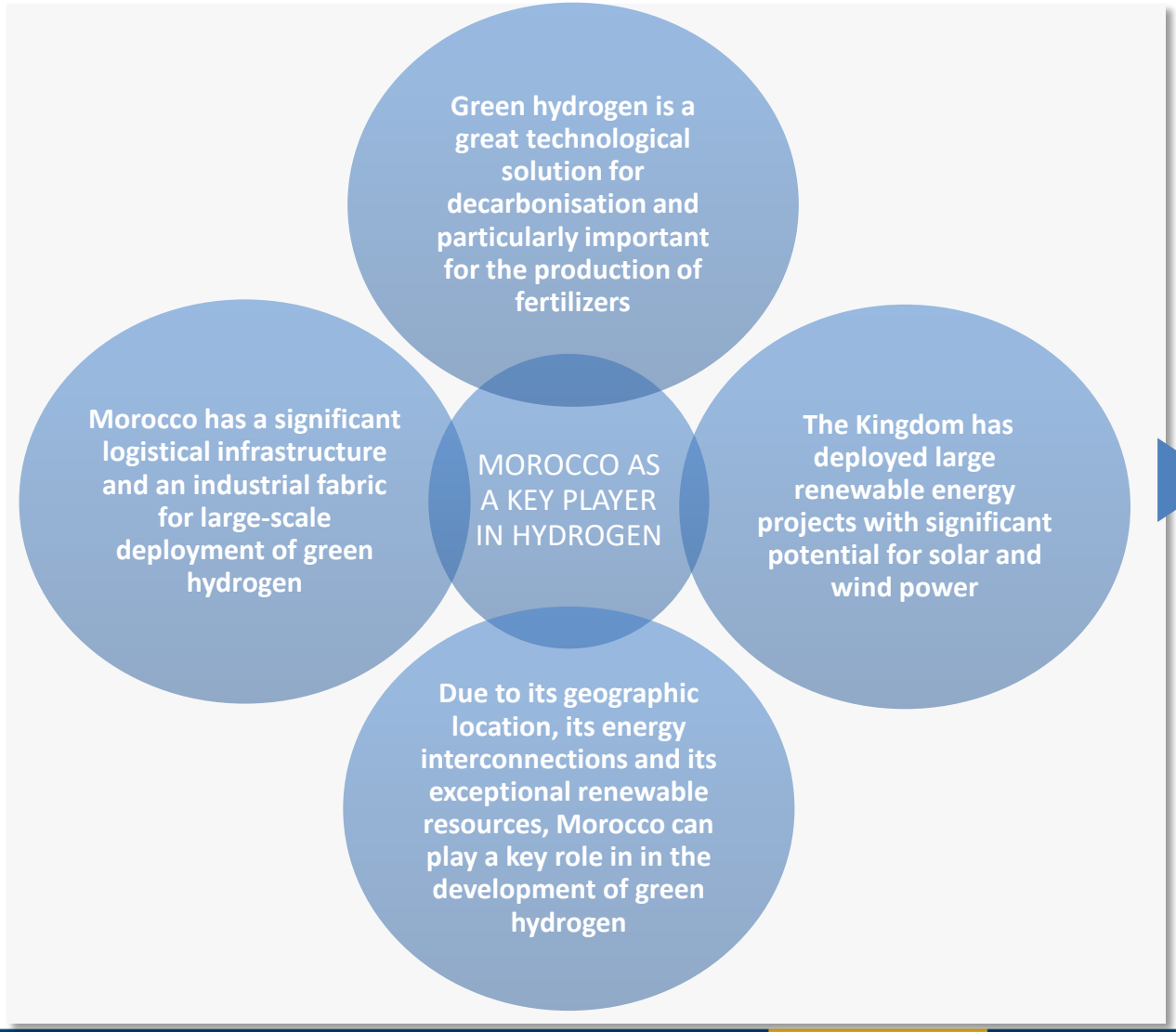
- The initiative SET Roadmap is further reinforced by the lessons of the COVID 19 crisis and euro-mediterranean integration is necessary to build more resilience in the region against different crises, such as the one currently being experienced

- The current logisitical and industrial chain is not resilient against the present coronavirus crisis

- Therefore, regional electricity market integration not only presents key benefits for the Mediterranean region, allowing a cost reduction and reaching the EU's objective of decarbonisation by 2050, but it is also necessary to create a competitive market and more resilience against crises in a post-Covid 19 World

GREEN HYDROGEN INITIATIVE IN THE CONTEXT OF THE EUROPEAN GREEN DEAL

Green technologies, such as hydrogen, constitute a great alternative to fossil fuels which increase carbon footprint and are geographically too far away.



ACTIONS TAKEN BY MOROCCO

- Establishment of the National Green Hydrogen Commission, bringing together public and private actors
- Launch of a study to develop the Green Hydrogen Roadmap due to be completed in May 2020
- Ongoing work for the implementation of pilot project for the production of green ammonia
- Development of an integrated program for the production of green ammonia, through renewables
- Arrangements for the organization of a large scientific and technological conference dedicated to "Green Hydrogen"

Draft version