

Press release

## **Cross border PPAs between Morocco and the EU: a new RES4Africa's study analyses barriers and policy recommendations to overcome them**

The results of the study, developed in collaboration with PwC, were discussed today during a webinar organised by the Foundation

Roma, April 15th 2021 - RES4Africa Foundation, in partnership with PwC, published the new study *Pursuing gross border PPAs between Morocco and the EU: An analysis of what it takes, the current gaps, and recommendations for how to bridge them*. The aim of the analysis is to identify barriers to cross-border green corporate PPAs between Morocco and the European Union and to propose a set of recommendations to Morocco's policy makers for how to address them.

The results of the study were presented today during an online event organised and promoted by RES4Africa Foundation, that saw the participation of Roberto Vigotti (Secretary General, RES4Africa Foundation), Zoubir Idrissi (Director of Electricity, Ministry of Energy, Mines and Environment of Morocco), Jasmina Hodzic (Manager Capital Projects & Economics, PwC), Ali Zerouali (Head of the Cooperation & International Development division, MASEN) and Angelo Ferrante (Secretary General, Med-TSO).

In 2016, Morocco and four EU member countries (Spain, Portugal, France and Germany) signed the SET Roadmap, committing to trade RES-generated electricity via green corporate cross-border PPAs, with Morocco acting as an exporter. RES4Africa study identifies and analyses three categories of barriers for this kind of trade: regulatory, infrastructure, and market.

Regulatory barriers are primarily related to inadequate implementation of existing laws in Morocco. Severe delays in the setup of Morocco's independent regulator ANRE caused a knock-on effect in the implementation of a series of other provisions on grid access, grid management and dispute resolution.

Infrastructure barriers are mostly related to Morocco's deteriorating internal grid, where the need to increase investments are acutely felt. Interconnection infrastructure is less of an issue as there appears to be sufficient spare capacity on the Morocco-Spain connection, but regulatory aspects of interconnector capacity allocation need to be addressed.

Also two market barriers are identified: the absence of a competitive wholesale and balancing market in Morocco that complicates the contracting process for PPAs, and the relative price advantage of Morocco's electricity, strongly affected by transmission and interconnection costs, which appear to be rather high.

Despite these barriers, a reasonable basis for cross-border trade exists. The study illustrates a business model for a physical (sleeved) cross-border PPA which could feasibly be implemented under the condition that a set of policy actions is pursued in the political, regulatory, infrastructure and market framework. [Download the full study](#)

**RES4Africa Foundation** (Renewable Energy Solutions for Africa) mission is to create an enabling environment for scaling up investments to accelerate a just energy transition and transformation. It gathers a member network from across the clean energy value chain and supports the creation of an enabling environment for renewable energy investments and strategic partnerships. See more: [www.res4africa.org](http://www.res4africa.org)