

Support Mechanisms for Renewable Energy in the Russian Federation and the Prospects of Renewable Energy Development in the Far East Region (Summary)

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Russia has rich sources of various kinds of renewable energy (RE) and now it has become more important for Russia to effectively develop RE to reduce the high dependency of the national economy on fossil fuels. In particular, there are good reasons to develop RE in the Far East, where the cost of diesel generation is quite high.

Recently, the Russian government has introduced some support mechanisms for RE, such as Capacity Based Auction and Obligation for Grid Companies to purchase RE electricity. However, these supports are available only for RE projects located in the so-called “price zone”, where electricity is traded at the market price and there are grid connections to the

nationwide transmission network. As the Far East region is outside the “price zone”, projects in the region cannot apply for the scheme.

To fully utilize the potential of RE in the Far East, the Russian government should introduce a more flexible support mechanism, taking into account the logistic and maintenance costs for RE projects in remote areas. There is also huge potential in the Far East to develop RE projects jointly with neighboring countries to export clean energy. They should develop additional schemes to stimulate investment, based on proper evaluation of the ecological benefits from such projects.