

# Expert Working Group Meeting on Energy Connectivity

ARMENIA

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## Five Major Challenges in promoting Cross Border Electricity Connectivity

- \* Political
- \* Financial
- \* Technical and regulatory
- \* Legal
- \* Economical

## Concrete Examples and Good practices in addressing the challenges

- \* Political – the state borders of Armenia with two neighbor countries are closed.
- \* There are no financial challenges: the projects towards regional integration have already their sources of financing.
- \* Technical barriers – the limited capacity of electricity transmission lines. We have two 220 kV overhead lines Armenia–Iran on 400 MW; one 220 kV overhead line on 200 MW and two 110 kV overhead lines Armenia–Georgia on 150 MW. Currently Armenia–Georgia 400 kV overhead line and Armenia– Iran 400 kV overhead line are under construction.
- \* Armenian–Georgian working group was established for creation of harmonized legal field in energy sector.
- \* Economical challenges – new contracts for regional trade of electricity are needed. Example of a good practices – we have Iran–Armenia gas–electricity exchange project. Also we have seasonal electricity exchange with Iran and Georgia.

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## **Role of regional cooperation in addressing the challenges.**

- \* Development of regional cooperation and integration of power markets across borders is a real choice to share risks and vulnerabilities
- \* Regional cooperation will allow to solve barriers for energy trade through removal of legal, regulatory and technical hurdles.
- \* We have initiated the North–South electricity corridor project that will give a new impetus to energy cooperation between Armenia, Georgia, Iran and Russia in the field of electricity.
- \* EAEU electricity common market will start working at the beginning of 2019.

## **What should be the main building blocks in developing the regional roadmap.**

- \* The common understanding of the benefits by countries of the region.
- \* Building physical energy networks and institutional connectivity.
- \* Promoting competitive energy market to improve investment climate and attract new investments, to adopt new technologies. Armenia is implementing major investment projects for integration to the regional power market, which will create a reliable infrastructure for regional trade and transit of electricity.
- \* Developing a regional mechanism to facilitate trans boundary electricity trade increasing the availability of financing, reducing risk, and accelerating project development.

# THANK YOU

- Tigran Melkonyan
- [tmleqonyan@minenergy.am](mailto:tmleqonyan@minenergy.am)
- +37411542720

