

Accelerating Action for Energy Transition to Put Morocco on the Path to Green Growth



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This opinion was adopted by the unanimous vote of all Council members at the extraordinary General Assembly meeting of 16 June 2020. The Royal Vision for Morocco to be at the forefront of the global energy transition – which enabled the construction in 2009 of a series of wind farms and solar power plants – has put the country on a new substantial promise for economic, social and environmental benefits. Also significant, COP22 (Marrakech 2016) has confirmed Morocco's leadership role in this field.

The expertise built by Moroccan energy actors since the launch in 2009 of the country's national energy strategy, together with the technological advancements that have seen fundamental breakthroughs over the past four years, have ushered our country into a new era. Renewable energy is the most cost-competitive source of new power generation capacity in the world today. The cost of generating wind energy in Morocco was calculated at 0.30 dirham (DH) per kilowatt-hour (kWh) in 2015. Morocco also achieved the lowest record price for photovoltaic energy in the Middle East region, with an average price of 0.13 Moroccan dirhams (DH) per kilowatt-hour (kWh), under the same national tendering conditions.

These figures, previously inconceivable, signal a profound paradigm shift toward a new approach to accelerate the realization of the Royal Vision of greening Morocco's economy, in which energy has an essential part to take.

Morocco presents nowadays a remarkably more competitive potential in renewable energy. Morocco has a renewable energy production capacity comparable to that of gas and oil in either Nigeria or Venezuela. Exploiting this potential would significantly reduce our energy dependence, improve the purchasing power of our citizens, enhance the competitive edge of our industries, support public sector accounts, and help bolster our country's position in the energy transition global landscape.

Morocco is poised to play a key role in supplying Europe with green energy, in the realms of clean electricity and green hydrogen, thereby suggesting a new geopolitical reconfiguration in the region. The new European commitments to achieving carbon neutrality by 2050, at the heart of the European Green Deal, open up this opportunity for Morocco. A recent German study has listed Morocco among the top five world countries for developing such an energy partnership.

Recommendations:

For all the above-mentioned reasons, the CESE has chosen to address the issue of energy transition. Embracing a forward-looking approach, the Council considers in this own-initiative opinion different scenarios for 2030, 2040 and 2050 and explores the strategic options to be adopted today.

To do this, the Council has enlisted the expertise of national renewable energy specialists, and interviewed sixty-three (63) experts and other stakeholders from within the sector, including relevant ministries and operators such as MASEN (Moroccan Agency for Solar Energy), ONEE (state-owned power utility), IRESEN (Research Institute for Solar Energy and New Energies), AMEE (Moroccan Energy Efficiency Agency), OCP (Morocco's state-owned phosphate and fertilizer group) and CGEM (Morocco's largest private sector business association). There was a strong consensus of opinion among the Council's members (representing employers' organizations, trade unions and civil society) that Morocco should work to put in place a renewed strategy for energy transition for the benefit of its citizens.

The potential benefits are very significant. Morocco's energy dependence could fall from almost 88% today to 35% in 2040 and less than 17% in 2050. At the same time, the average cost of on-grid electricity for everyone could fall from 0.79 DH/kWh today to 0.61 DH/kWh in 2040 and 0.48 DH/kWh in 2050. To reap these benefits, prospective modelling shows the need to embark on a strategy that considers energy transformation, beyond electricity and beyond traditional uses. To achieve this, we need to:

- Devote future electricity capacity almost exclusively to renewable sources and storage: STEP (French acronym for Pumped-Storage Energy Transfer Station), batteries and technologies under development.

- Maximize decentralized electricity production at household, industry, municipality, farming, cooperative and other scales.
- Gradually transform mobility, which currently accounts for 40% of total energy consumption, to maximize the use of sustainable public transport and electric cars.
- Put in place a coordinated energy efficiency policy.
- Invest in seawater desalination plants powered by renewable energies with steadily declining costs as a means to reduce water stress.
- Dock to the green hydrogen revolution (Power-to-X) in which the comparative advantages of Morocco are considerable.

To achieve this, the CESE recommends the following principles to be used for the implementation of this renewed strategy:

- Take a holistic approach to this strategy, to best leverage all the synergies that the above-listed initiatives embody.
- Accompany the implementation of this strategy with an overhaul of the legal framework and governance to adapt to changes in the sector, along with a reconfiguration of public policies affecting energy by dealing in a coordinated and integrated way with several related policies that are currently thought out and developed in silos.
- Give greater scope to private initiative at all levels, while ensuring overall security of supply.
- Rely on broad-based public support, with the involvement of citizens and local authorities to mobilize people and link the energy transition to local development issues.

On this last point, at national level, the CESE recommends the introduction of an energy transition charter as contained in the Royal Message addressed to the first National Energy Conference (March 2009).

At continental level, the CESE recommends a Moroccan commitment to the electrification of Africa and the establishment of infrastructure for the exchange of clean electricity with West Africa in particular.

Internationally, Morocco has what it takes to gain a place in the new green economy, particularly in the hydrogen technology sector. This could be achieved by setting up a new energy partnership between Morocco and Europe, including in technology transfer, research and development and industrial development.