



Directorate-General
for Energy
and Transport

The European Commission's renewable energy proposal



Tom Howes, European Commission

• Renewable energy promotion since 1997

- National targets for RE electricity since 2001
- National targets for RE in transport since 2003

- **sustainability** – world leadership in halting climate change
- **security of supply** – oil supply & prices, gas worries, rising global demand, driven by TRANSPORT
- **competitiveness** – supporting an innovative industrial sector where we are world leaders and face a fast growing export market

Public discussion launched with the 2007 energy package: “20-20 in 2020”, widely discussed with the public, with stakeholders and NGOs, governments and parliaments across Europe.

- ✓ **Broadly endorsed by Member States (European Council) and Parliament**



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European Commission proposals 23/01/08:

- An assessment of national **Energy Efficiency Action Plans**
- A new EU **emissions trading scheme** with a European (not national) cap, auctioning of allowances: to generate reductions in GHG of 21%
- New national targets to achieve a 10% GHG reduction in **non ETS sectors**
- A framework to promote the development of **CO₂ capture and storage**
- New guidelines on **state aid** for environmental protection
- **New directive** to reach the 20% renewable energy target and 10% biofuels target



- + Reduce annual CO₂ emissions by between 600-900 Mt,
- + reduce annual fossil fuel demand by 250 Mtoe and
- + promote Europe's leading industrial and technological role (€20 billion turnover and 300.000 jobs)
- costs range from €10.6bn - €18bn p.a. for the EU depending on oil price assumptions, financing, technology mix, and competition in the market (BUT the costs of renewable energy technology continue to fall substantially)

- Renewable energy is a priority in most EU institutions – EIB, EBRD, R&D funding, development funding (GEEREF)...
- A range of acronyms to choose from:
- The EU Energy Initiative (EUEI) <http://www.euei.org>
- The Renewable Energy and Energy Efficiency Partnership (REEEP) <http://www.reeep.org>
- The Mediterranean Renewable Energy Partnership (MEDREP) <http://www.medrep.it>
- The Global Village Energy Partnership (GVEP) <http://www.gvep.org>
- Basel Agency for Sustainable Energy (BASE) <http://www.energy-base.org>

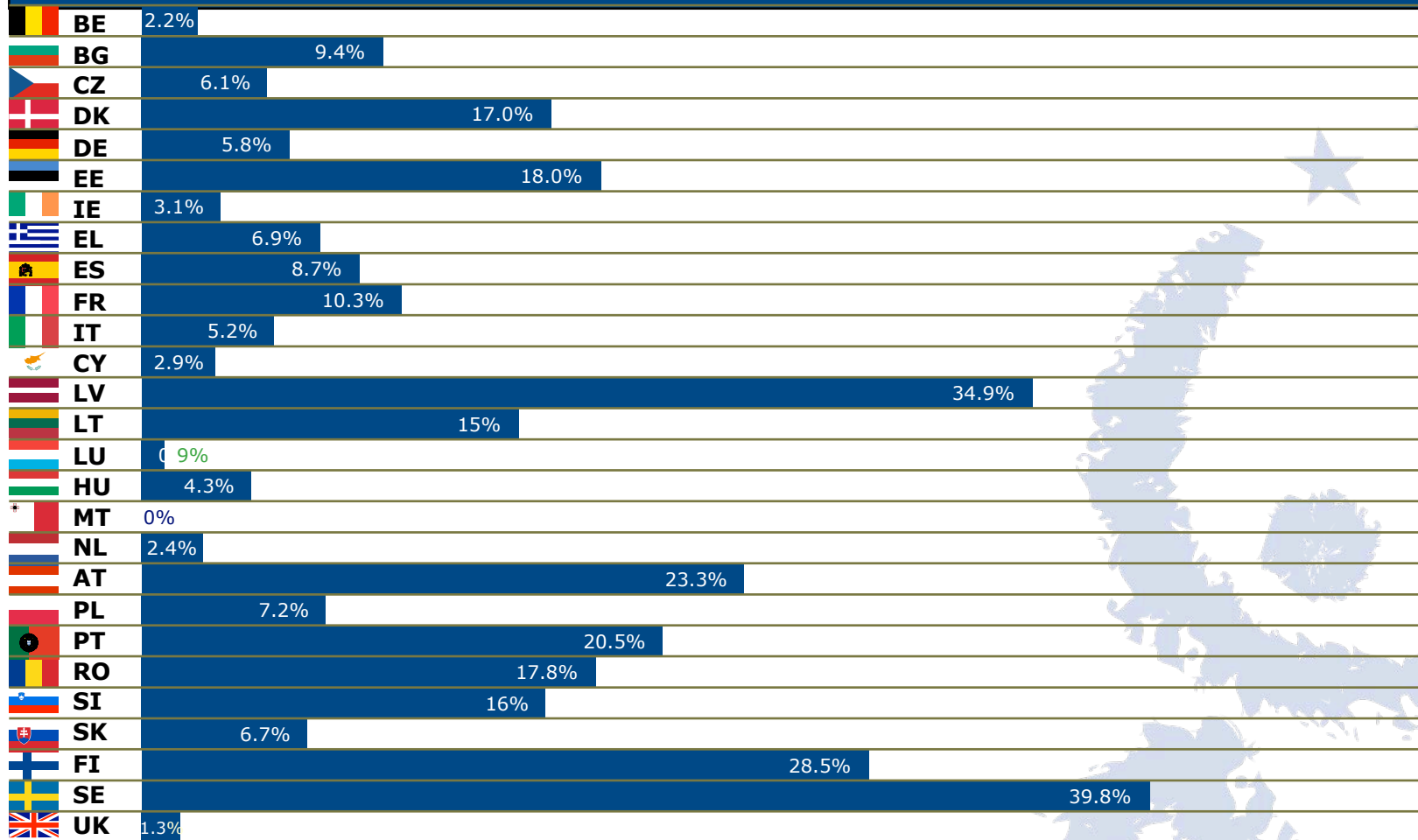
1. Sets **mandatory national targets** for renewable energy shares, including 10% biofuels share, in 2020
2. Requires **national action plans**
3. **Flexibility** provided by standardised “guarantees of origin” (certifying the renewable origin of electricity or heat) and enables the transfer of these to provide flexibility to Member States
4. Requires **reduction of administrative and regulatory barriers**, improvements in provision of information and training and improves renewables’ access to the electricity grid
5. Creates a **sustainability regime** for biofuels



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EU-27 efforts in Renewables: RES share in 2005



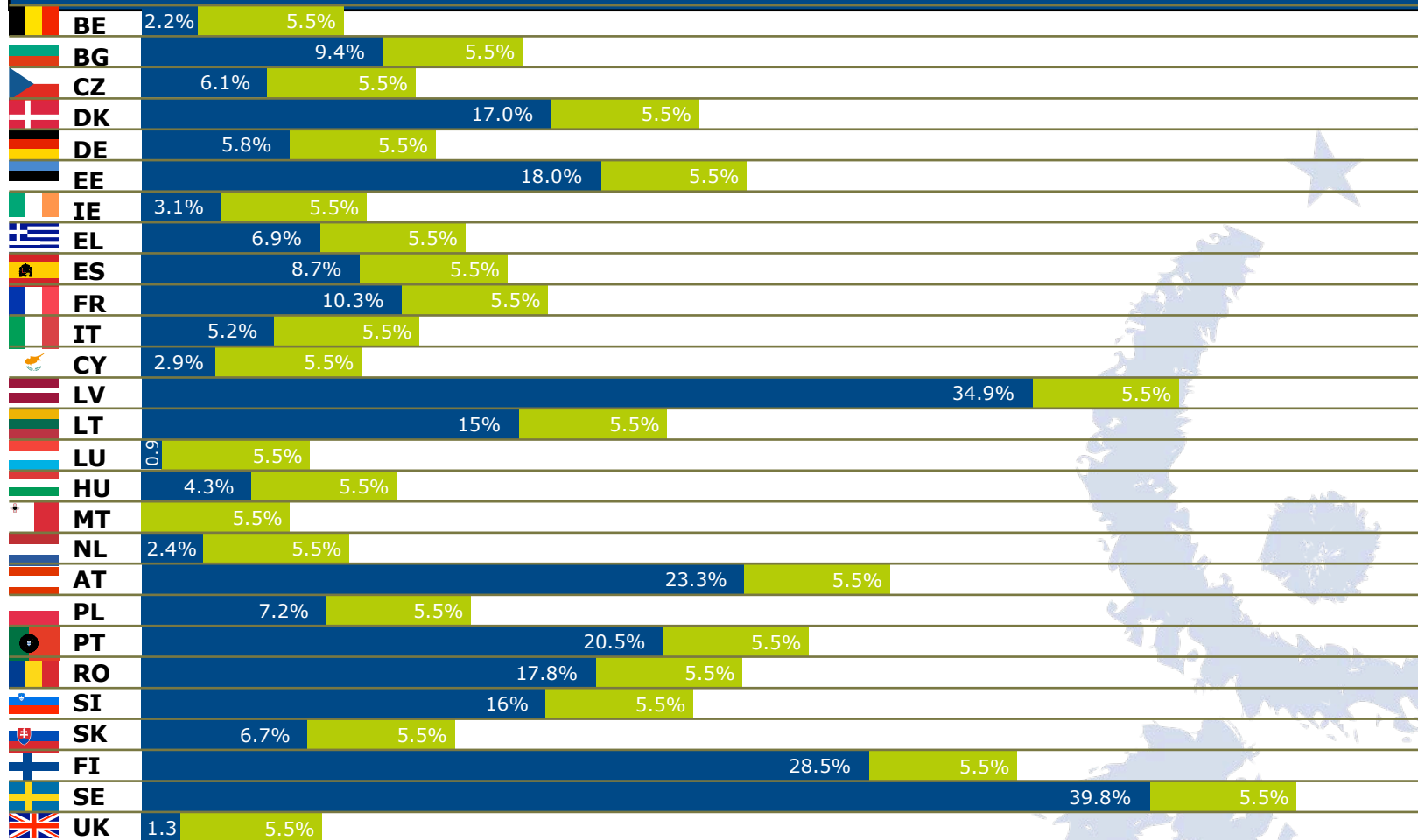
RES share in 2005



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EU-27 efforts in Renewables: flat rate increase



RES share in 2005

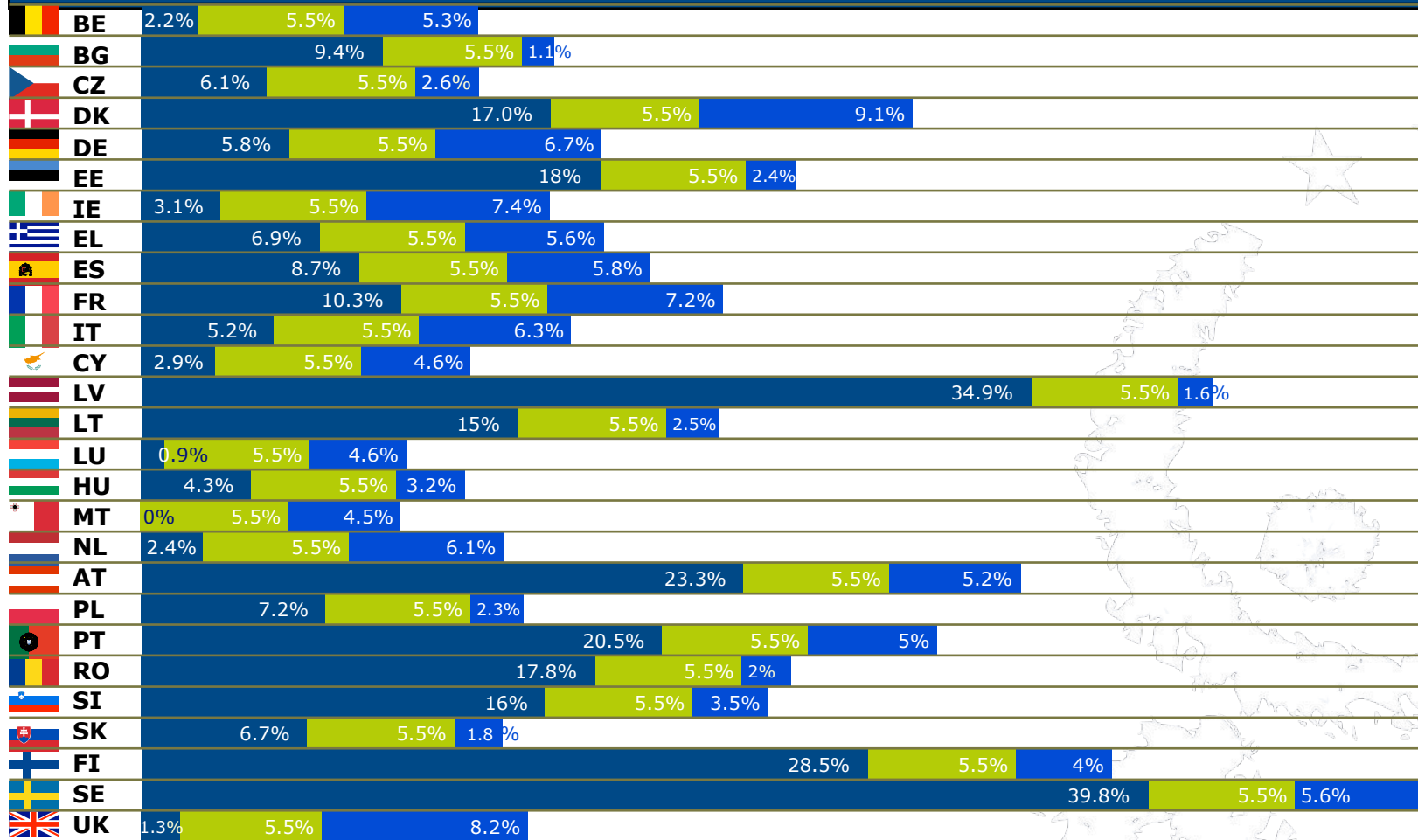
Flat rate
increase of 5.5%



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EU-27 efforts in Renewables: GDP weighted increase



RES share in 2005

Flat rate increase of 5.5%

Additional effort based on GDP per capita

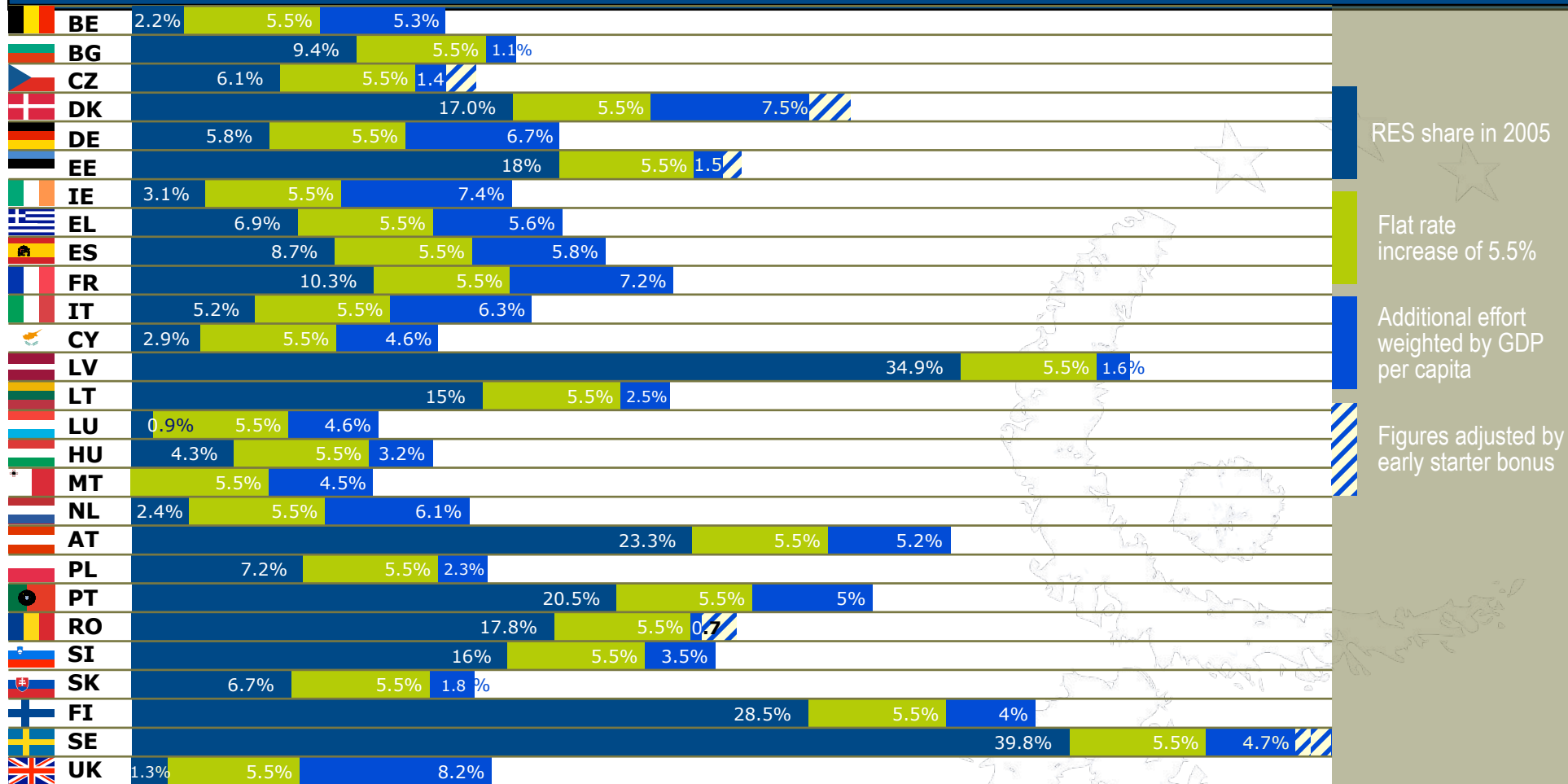
EU-27



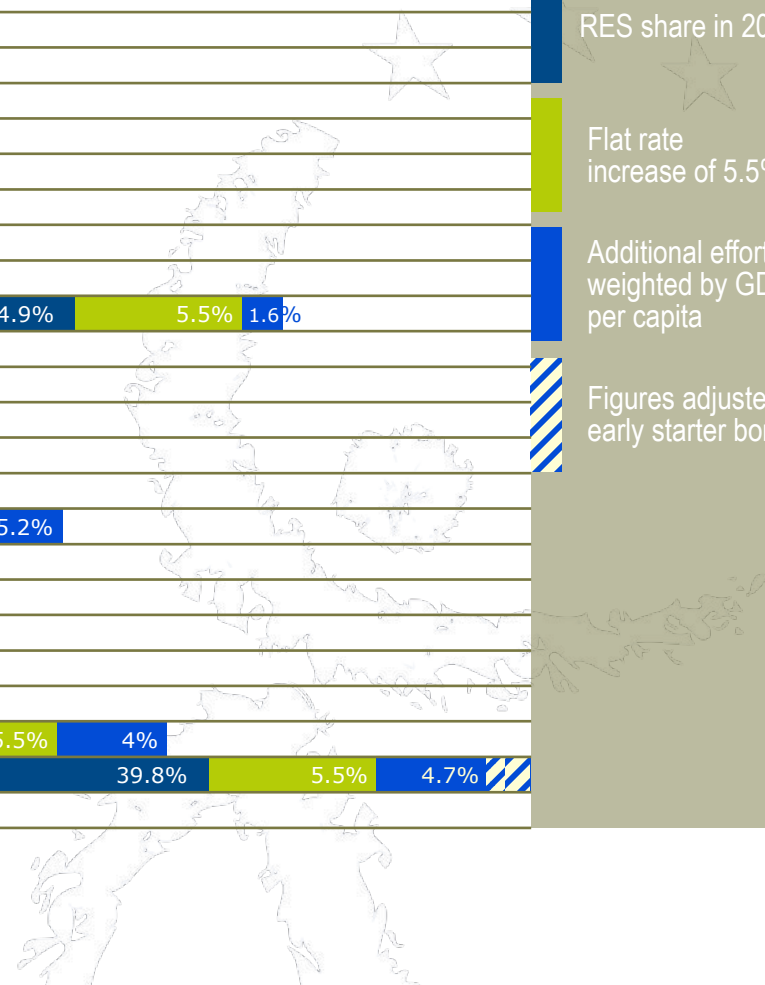
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EU-27 efforts in Renewables: target setting method



EU-27

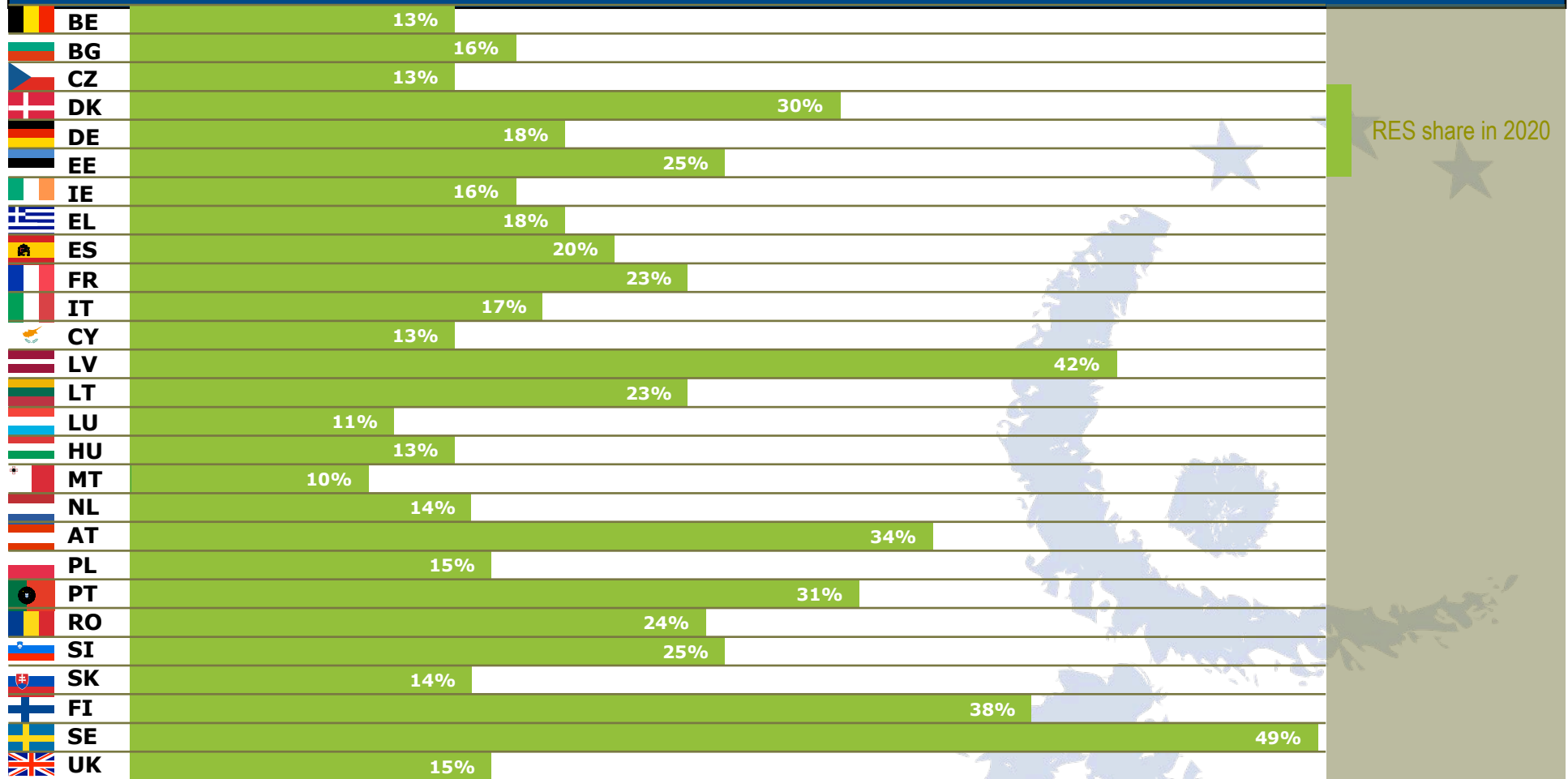




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EU-27 efforts in Renewables



Current Discussions: no serious alternative

- **No sectoral targets**
- **Large projects clause**
- **Force majeure**
- **“Guarantees of origin”** certifying the renewable origin of electricity or heat
Based on Dir. 2001/77/EC. Member States may transfer extra GOs to other Member States, or producers may transfer GOs from new installations to other Member States and with third countries
- ✓ gives the flexibility to meet national targets by developing cheaper renewable energy in other Member States
- **Current discussions: “GO” flexibility replaced by simpler virtual “statistical transfers” of RE between Member States, joint projects including with third countries**

- National action plans
 - Sectoral targets & measures established by Member States
 - Facilitates monitoring of the directive and provides stability for investment
- **Current discussions: template in Directive and format by Commission**
- Administrative reforms to remove barriers
 - simplification and streamlined procedures, RES in the planning process
 - minimum levels of renewable energy in building codes
 - certification regimes for installers; mutual recognition
- **Current discussions: templates, degree of detail**
- Electricity grid issues
 - Priority access (c.f. Dir. 2001/77/EC), review of cost sharing rules
- **Current discussions: grid security remains crucial**

Sustainability criteria for biofuels :

- GHG savings – minimum of 35%
- No raw material from sensitive areas (old forest, grasslands, protected areas)
- No conversion of wetlands and continuously forested areas
- EU biofuels must meet “cross compliance” environmental rules

Consequences of not meeting the criteria:

- Don't count towards targets; no public support/tax breaks

Member States to give a bonus in their biofuel obligations to biofuels from wastes, residues, cellulosic and lignocellulosic material

- **Current discussions: indirect land use, food prices... reviews**

2007: *Wide policy* discussion

2008: the legislative process: amendments of Council and Parliament

**2009: adoption of the whole package in Spring
biomass sustainability to come...**

- ***Conclusion***

- *Renewables are a necessary part of any sustainable energy policy*
- *They're an integral part of climate policy, part of development and trade policy, of competition policy.. even of agricultural policy... all of which is clearly demonstrated by the Commission's package approach...*

A wide-angle photograph of a vast field of bright yellow rapeseed flowers in full bloom. The field stretches to the horizon, where a line of green trees is visible. The sky above is a deep blue, filled with scattered, soft white clouds. The overall scene is bright and sunny.

Thank you for your attention

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