

EREF

European Renewable Energies Federation

Renewable Energy Promotion in Europe - The View of the Industry -

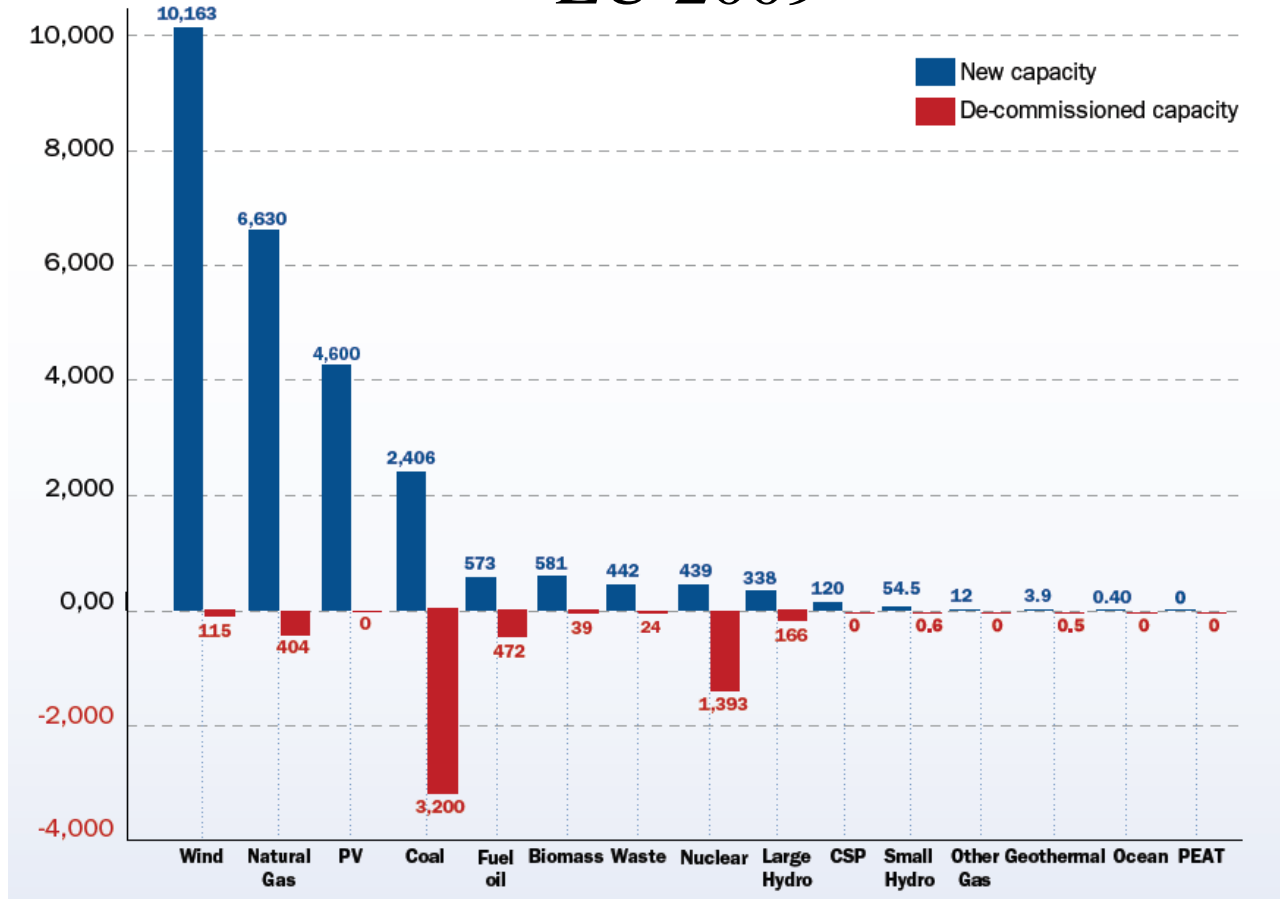
Rainer Hinrichs-Rahlwes
- EREF President -

Florence School of Regulation – 29th of April, 2011

About EREF

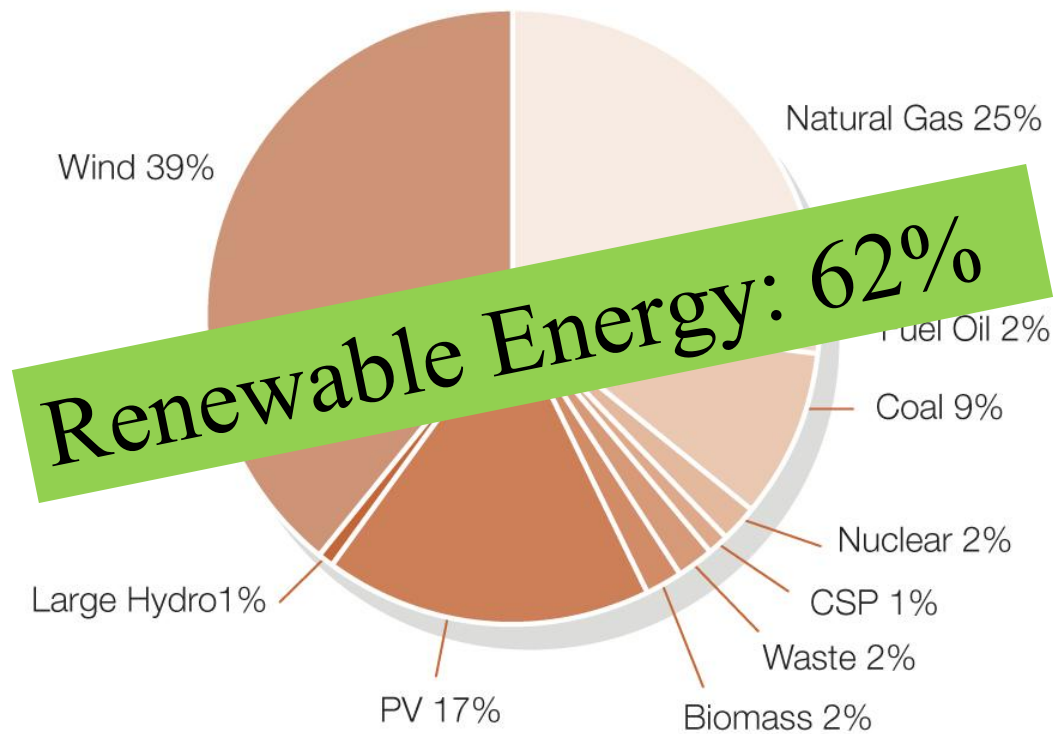
- Federation of associations from EU Member States, working in the sector of energy produced from renewable sources
- Representing more than 50,000 MW of installed power capacity and a growing capacity in other sectors
- Voice of Independent Producers of Energy from Renewables
- Member of EREC (European Renewable Energy Council)

Net power capacity development in MW EU 2009



Total: 25,963 MW

New power capacity installed, EU 2009



Source: EWEA, EPIA, ESTELA, EU-OEA and Platts Powervision

Still: Barriers must be removed

Market distortions, dominance of incumbent industry, and lack of internalising externalities are key reasons for relatively slow market penetration of renewable energy.

→ Strong political support and effective and cost efficient support mechanisms are necessary.

Support Schemes

- ... pave the way for market introduction and market penetration of different forms of RES.
 - ... foster rapid increase of RES deployment.
 - ... encourage and foster cost reduction.
- Together with removal of administrative barriers, a transparent and efficient support mechanism must provide investment security for future oriented industry.

The Renewables Directive (2009/28/EC)

- Milestone for mainstreaming renewable energy
- 2020: 20% Renewables in EU's final energy
- Binding national targets
- National Renewable Energy Action Plans (NREAPs)
- Cooperation Mechanisms
- Regular reports (MS and EC)
- Full and ambitious implementation is crucial

Key Role for National Support Schemes

- (2009/28/EC - Recital 25) Member States have different renewable energy potentials and operate different schemes of support for energy from renewable sources at the national level. The majority of Member States apply support schemes that grant benefits solely to energy from renewable sources that is produced on their territory. **For the proper functioning of national support schemes it is vital that Member States can control the effect and costs of their national support schemes according to their different potentials. One important means to achieve the aim of this Directive is to guarantee the proper functioning of national support schemes, [...] This Directive aims at facilitating cross-border support of energy from renewable sources without affecting national support schemes. It introduces **optional** cooperation mechanisms between Member States which allow them to agree on the extent to which one Member State supports the energy production in another and on the extent to which the energy production from renewable sources should count towards the national overall target of one or the other. [...]***

Member States' control must not be affected

- *2009/28/EC – Article 23 (Monitoring and reporting by the Commission)*
*[...] 8. **By 31 December 2014**, the Commission shall present a report, addressing, in particular, the following elements:*
[...] (c) an evaluation of the implementation of this Directive, in particular with regard to cooperation mechanisms, in order to ensure that, together with the possibility for the Member States to continue to use national support schemes referred to in Article 3(3), those mechanisms enable Member States to achieve the national targets defined in Annex I on the best cost-benefit basis, of technological developments, and the conclusions to be drawn to achieve the target of 20 % of energy from renewable sources at Community level.
*[...] On the basis of that report, the **Commission shall submit**, if appropriate, **proposals** to the European Parliament and the Council, addressing the above elements and in particular: [...] **Such proposals shall neither affect the 20% target nor Member States' control over national support schemes and cooperation measures.***

Council Conclusions (April 2, 2011):

After another prominent attempt to reopen the discussion about harmonization of support schemes instead of implementing the consensus of the RED, the European Council agreed:

9. The Commission is invited to strengthen its work with Member States on the implementation of the Renewable Energy Directive, in particular as regards consistent national support schemes and cooperation mechanisms.

RED: Time for implementation

- RED agreed by a vast majority in Council and Parliament
- Transposition into national law – some delay
- All NREAPs eventually submitted – different levels of ambition and comprehensiveness
- Commission to evaluate, follow-up, and – where necessary – start infringement procedures

Mapping Renewable Energy Pathways towards 2020

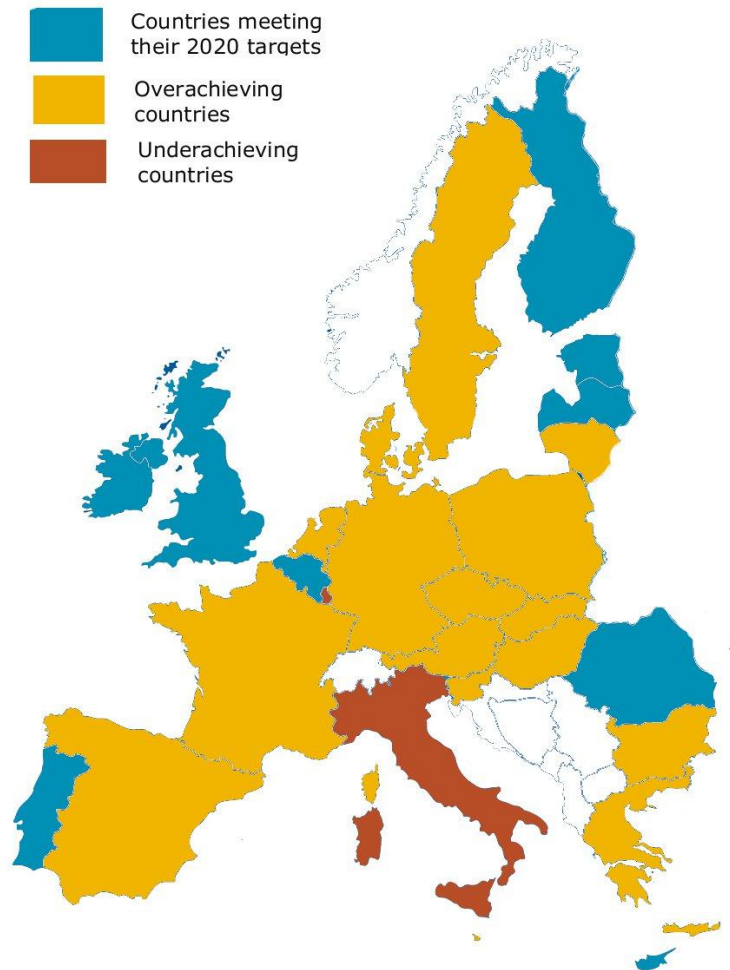
EU ROADMAP

REPAP
2020

Renewable Energy Policy Action Paving
the Way towards 2020

- ➔ Provides an EU overview of the NREAPs
- ➔ Compares the 2020 NREAPs projections for RES developments with the RES industry projections
- ➔ Provides evaluation of the NREAPs based on the national associations' input.

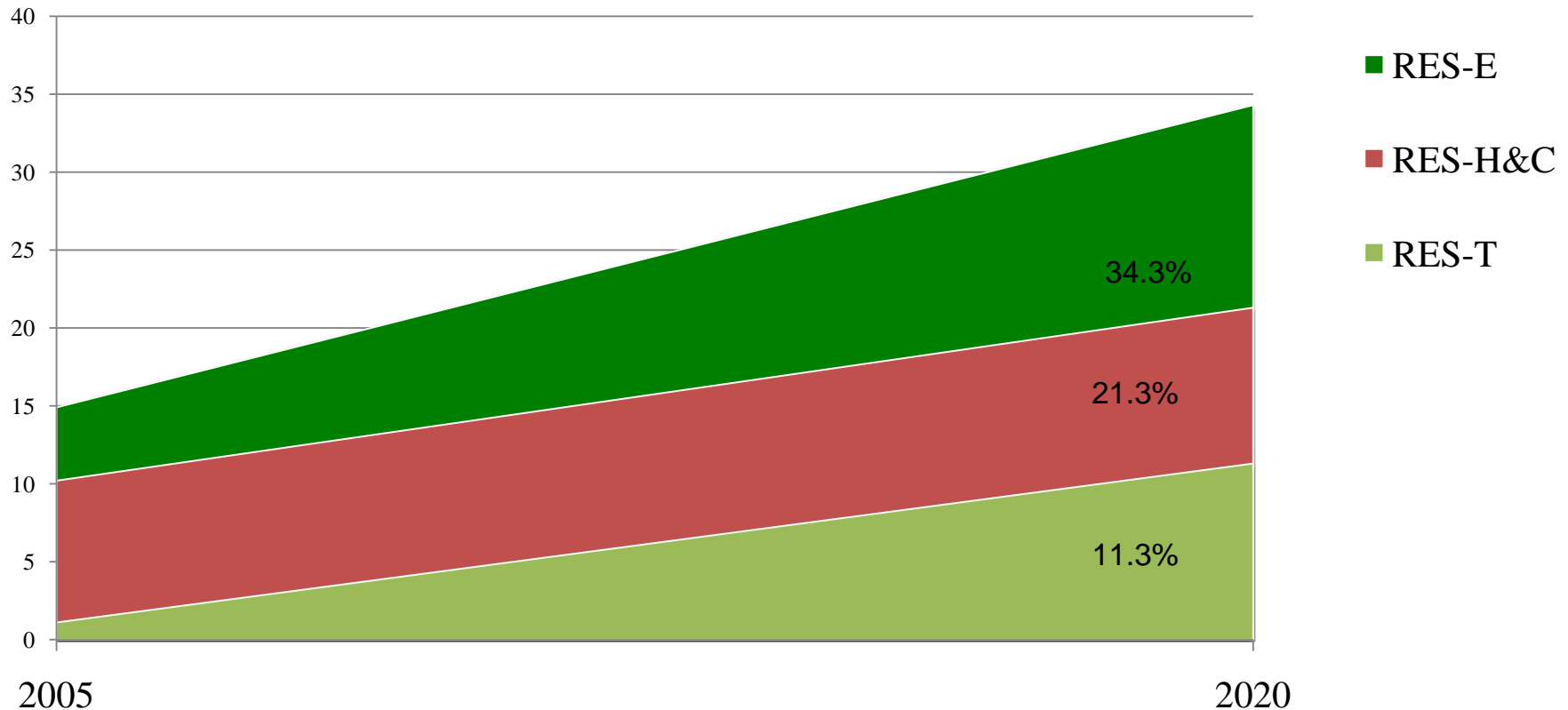
20% by 2020 – Europe can do more!



- EU-27: Surplus of about 1% above the 2020 target
- 25 MS forecast to achieve or exceed their binding 2020 targets within national borders
- Only Italy and Luxembourg plan to use CoopMex to meet binding 2020 targets
- According to the RES industry projections, the EU-27 could reach 24.4%

RES increase by sector (%)

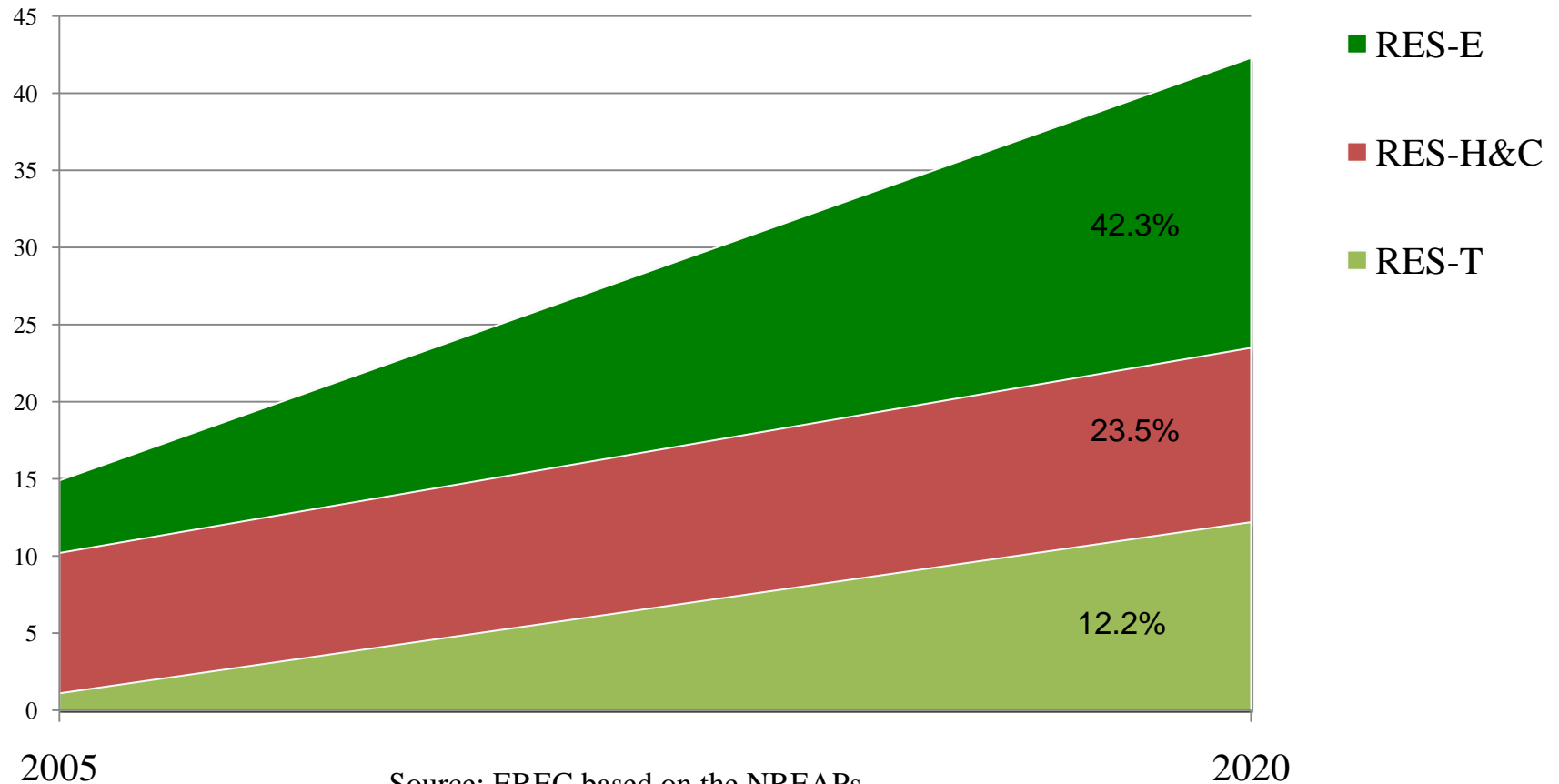
NREAPs projections



Source: EREC based on the NREAPs

RES increase by sector (%)

RES Industry projections



Source: EREC based on the NREAPs

Policy Recommendations

- Effective and ambitious **implementation of the RES Directive**
- **Stable and reliable** national support schemes
- Ambitious framework to **reduce Europe's energy demand**
- **Level playing field** in the energy market, new market design
- Important role of **decentralised** and **distributed** generation, **smart infrastructure** development
- **Phasing out all subsidies for fossil and nuclear energy**
- Binding **renewable energy target for 2030**
- **Coherent strategy for an energy system fully based on renewables**

The Way Forward ...

- By 2050 global emissions must have been reduced by >50%.
 - Emissions in industrialised countries to be reduced by 80 – 95%.
 - Energy sector to be completely decarbonised.
- Global Emissions must peak in 10 – 15 years.
 - Ambitious targets and policies needed.
 - EU-targets (20-20-20/30 in 2020) are not sufficient.
 - Renewable Energy can contribute much more.
- Renewable Energies are available and they are sustainable.
 - Deployment has to be accelerated, barriers must be removed.
 - Clear priorities and policies are needed for renewable energy:
Base load electricity (coal and nuclear) does not fit in.
- Prepare for Post-2020: 100% Renewable Energy
 - To be elaborated in “Energy Roadmap 2050”

Thank you for listening!

Looking forward
to your questions and comments!

www.eref-europe.org

info@eref-europe.org

rainer.hinrichs@bee-ev.de