

EREF

European Renewable Energies Federation

27th of September 2007

Feed-in in Europe under concrete threat from Commission

Having received Informal and urgent call from knowledgeable administration in Germany in the evening of 26th of September I will underline the following threat against national feed-in support mechanisms for renewable energies in view of the upcoming draft directive for the promotion of renewables in 2020. RES industry and RES industry associations needs to enforce and enter into strong action:

Recent development:

A group of anti feed-in hardliners has convinced Commissioner Piebalgs (Commissioner for Energy) to introduce a EU wide system (details completely unknown to me so far) which favours trade and green certificate for Renewable Energies.

This may be called the British disease since the UK Government actively lobbied this summer the European Commission to favour trade in RES, also by buying certificates from projects outside the EU. UK fears a tripling of its electricity prices if it would need to increase RES binding targets in its own country until 2020 with high amount of home-grown RES.

This move was apparently centre-staged by Christopher Jones, 2nd head of Cabinet of Mr. Piebalgs, Commissioner for Transport who was back in 1999 already as 2nd head of unit in DG Energy at that time loyal ally to the UK Government, attacking feed-in and aiming to give all feed in systems the death penalty in way of stranded investment regulations to be put in the first Directive for phasing out of feed-in and for introduction of a EU wide Quota and Certificate system

The anti feed-in coalition in the Commission is composed of at least

- The Director General Catherine Day of DG TREN (Directorate General for Transport and Energy)
- Director Jos Delbeke, DG ENV (Environment) “Father” of EU Emission Trading Directive, economist and fervent support of RES quota and trade and link to EU-ETS for RES policies
- Christopher Jones, Deputy head of Cabinet of Commissioner Piebalgs
- Peter Vis, Member of Cabinet of Commissioner Pieblags, and coming from the Delbeke unit of DG ENV, now responsible for current co-ordination of internal procedure of Commission towards draft directive 2020

We face here four high-placed key persons with strong influence capacity.

The European RES industry associations will issue on Monday their joint Position Paper and will underline that there is no need and evidence for the adequacy of a harmonised support mechanism across Europe. They also underline the importance to safeguard the successful systems, but it will not pronounce more the clear and loud preference of feed-in mechanism, due to conflicting interests in some of the industry associations.

EREF always stood for Feed-In mechanisms as **the** system so far which proofs success and enabled a splendid industry growth in Europe stimulating other countries.

Well designed feed-in mechanism such as in Spain and Germany focus on

- Clear investor confidence
- Rapid uptake on RES without cap for growth
- Non discriminatory and priority access to the grid
- Clear enabling access tool for new technologies to the highly distorted electricity market in Europe without creating a kinder garden or artificial sub market for renewable electricity
- Entrance mechanism especially for RES technologies which are still more expensive than the average RES technologies (Solar vs. onshore wind e.g.)
- Excellent Price digression competence and trigger
- No burden on public budget

The majority of EU 27 Member States has introduced feed-in mechanisms on their national level. This in itself is not yet guarantee for success and especially new member states still struggle to find execution tools under their feed-in mechanism which overcome artificial and real barriers in their countries.

The EU Commission in its regular reports on the development of RES under the current Directive 2001/77/EC on the promotion of RES electricity in the internal market clearly came to the conclusion that only feed-in delivers:

- Report Commission COM(2005) 627: Feed-in is “cheaper and more effective”
- Reasons in view of Commission: Feed-In
 - more investment security
 - differentiates between technologies
 - > less windfall profits
 - > promotion of mid- and long term technologies
 - Chance for new comers and new technologies

But against all reason there is national interest of UK and interest of centralised incumbent industry not to favour independent power producing from renewables.

Actions to be taken

The overall objective is to stop any opening for harmonisation of support mechanism and of EU wide quota and certificate schemes in the upcoming draft directive.

- First action is that the German Minister for the Environment must receive a clear wake up call to come to Brussels and to reinforce the German view that no harmonisation yet and certainly no quota and certificate trade. It is very sad that he is not seen in Europe as the promoter for RES and for Feed-in. Chancellor Angela Merkel had tailored the big success to make the Spring Council of head of governments this year a Council which promised binding target of 20 % RES in 2020 in Europe.
- The same need to speak up in Brussels goes for the Spanish Government and all other governments having chosen feed-in. But Germany would certainly set the tone here and should do so.
- RES industry and associations have to re-do strong campaigns at Commission, Council EU Parliament and Media level as on national level as well.
- Our constant allies in the EP such as Mechthild Rothe, Claude Turmes have to be reinforced and urgently new allies from the new EU member states have to be organised by the help of our friends in EP.
- There is only one clear and loud message to be distributed :
 1. Enforcement of FEED-IN systems
 2. No Harmonisation of support mechanism in Europe
 3. And No harmonised EU Quota and Certificate system

Dr. Dörte Fouquet

President: Peter Danielsson (SERO Sveriges Energiföreningars
RiksOrganisation, Sweden), Kungsgårdsvägen 50, S - 68154 Kristinehamn,
Tel.: +46 550 13761, Fax: +46 550 16483

EREF – Brussels Representative Office – Avenue de la Fauconnerie 73, B-1170 Brussels,
Tel.: + 32 2 6724367, Fax: +32 2 6727016
www.eref-europe.org