

Europe's independent and striving renewable energy industry is under direct threat by actions of parts of the European Commission

At present, forces within the European Commission try to impose an EU 27 wide mandatory trading and certificate mechanisms just for renewable energies in Europe. One argument is that especially poorer countries would have problems to reach their binding national 2020 targets which are still to be defined for all Member States.

This is the worst option the Commission could invent for a second time since 1999 and it will result in Europe losing its capability for a rapid uptake for urgently needed increased RES capacity made in Europe.

These EC trade plans seems to be cooked up in a sort of ivory-tower distant from any reality of a vibrant and striving market and industry of independent companies and producers but they are close to obvious interest of oligopolies not liking the independent competitors from the RES world and influenced by a minority of member states such as especially of the UK government who has only meagre 2 % of RES to offer in its energy mix, see Ashley Seager and David Gow, [The Guardian](#), Saturday October 13, 2007.

False labelling as trade

There is basically a lot of false labelling going on which calls for some clarification.

In our view national support mechanisms be it quota/certificate or feed-in systems are no trade instruments or trade related measures.

They were both introduced because the electricity or in general the energy market was and still is a highly distorted place where the price for electricity from the old industry does not reflect the costs, be it in form of decade long subsidies such as to coal and nuclear be it because of non internalisation of externalities such as environmental pollution, climate change and the like and more.

Feed-in is by far the most successful system for rapid deployment of renewables on the general electricity market, encompassing so far quota systems of member states at great length.

Nonetheless the principle is that the support mechanism is introduced to enable access to the general market. The renewable energy producer wants to sell his electricity directly to an end-user or over the grid. This is what all electricity producer aim for. Only, renewable technology needs such market entering push, to balance out apparent discrimination.

We do not want to be kicked off this market again, by putting in a pretence that we compete with other renewable energy sources from another country in the European Union. We do not. We compete on the overall electricity market. That is our place and that is a place where renewable "made in Europe" will make the difference over time, for sustainability, energy security and climate protection. Countries such as Germany with good Feed-In systems show how fast this can happen. Germany reached its target of 2010 of 12.5 % RES electricity already this year with huge benefits to the German economy and to the Climate.

We are not willing to be put into a sort of artificial kinder garden or playground at the discretion of some traders and big oligopolies who than regain complete control over the electricity market. This would be a barrier and violation of the internal market directive rules. We do not want to be constrained under an inefficient niche market regime. Introduction of such a trade mechanism and forced niche "market" for renewables would create a severe obstacle for market access and thus violate the Directive 2003/54/EC of the European Parliament and of the Council of 26 June 2003 concerning common rules for the internal market in electricity and repealing Directive 96/92/EC.

Renewable Energy would become extremely expensive - and a striving European RES industry would be discriminated and is endangered

These artificial RES trade plans would make renewable energy more expensive all over Europe .

The German Government estimates additional costs of such a scheme would be 100 billion Euro until 2020 for the consumers in the EU-27. For Germany alone, the study estimates almost a doubling of the costs for renewable electricity compared to the present Feed-in costs. With the present Feed-in system in Germany, for example, costs for wind electricity amount to 8.36 ct/kWh with more than 20 GW installed capacity, whereas under the United Kingdom quota/ certificate system the consumer has to pay 13-14 ct /kWh for wind electricity (2006) with only about 2 GW installed capacity.

According to the recent evaluation report on the German Feed-in law, the net benefit of the Feed-in law

amounted to 5.9 billion Euro per annum.

The EC trading proposal will lead to investment uncertainty and therefore market disturbances.

The Renewable Energy Industry employs more than 350.000 people in an increasing number of EU countries with 235.000 employed in Germany alone. This development could come to an abrupt halt and the industry may leave Europe. The successful deployment of renewables has led to income growth for many formerly poor regions in Europe. With the shift towards a trading system and the subsequent collapse of successful national support mechanisms Europe as a whole, but especially the new Member States in particular would be denied the opportunity to enhance rapid economic and sustainable growth with a mature and future-oriented industry.

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