The EU needs a reliable framework for renewable energies beyond 2020: the Commission needs clarity on delivery by Member States

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The European Renewable Energies Federation (EREF) informed the leadership of the EU Commission with direct letters on its worry that the upcoming draft for a new Renewable Directive beyond 2020 and the related Impact Assessment may miss out on crucial points.

EREF fears that there are several major points which are in danger of being left out in the new RES Directive, namely:

I. Priority Grid access and/or priority dispatch for renewable energy
II. Evaluation of gap-filler/gap-avoider options in case the new binding EU target is not reflected in strong policies and pledges by the Member States
III. A reflection on common rules and principles for the way forward until 2030, including clarity and guidance in this respect also on national support schemes and regional cooperation

I. Priority Grid access and/or priority dispatch for renewable energy

The EU Commission since 1999 has been carefully analysing how renewable electricity can access the grid and develop while

   a) over-capacity in electricity in the EU overall;
   b) regulated prices and subsidies to the incumbent energy utilities;
   c) missing internalisation of externalities and discriminatory regulation; and
   d) weak or unfair planning and permitting procedures

marked the obstacles to RES development and do mark them still - as the Commission itself outlined in its own evaluations in the recent past. While according to the former Directive (2001/77/EC) Member States were simply allowed to introduce such a priority or guaranteed access, the latter (Article 16.2, 2009/28/EC) makes it mandatory.
“There is no evidence whatsoever that we should fall back and move away from this crucial mandatory rule. If the Commission sees enough points for a different view it clearly needs to reflect that in the Impact Assessment”, underlined the President of EREF, Savvas Seimanides.

Without priority access and priority dispatch obligation, there will be a roll-back and a perverted merit order, where the old capacities or must run capacities from coal, nuclear and heavy oil will be dispatched first and renewables in the end, despite lower costs for many of the RES technologies.

The Commission has underlined the importance of renewable energy projects of cooperatives and citizens not only for target reaching but also for regional and local structural development. Without priority grid access or dispatch, all these projects cannot be securely financed, especially in an environment where auctioning seems to be the order of the day for new capacity under national support mechanisms.

II. Evaluation of gap-filler/gap-avoider options in case the new binding EU target is not reflected in strong policies and pledges by the Member States

As it seems, the new RES Directive will outline only an EU-wide mandatory minimum target for renewable energy development until 2030. That is a complete novelty in energy law and concerning the development of renewables as well. We have always strongly criticised that the Member States thus shied away from assuming clear responsibility for the further development of RES in the EU.

If the Commission cannot reflect on how gaps can be avoided or how gaps can be filled in case Member States do not deliver towards the achievement of the overall binding EU-wide target, the Directive will not be worthwhile the paper it is written on.

Lessons can be learned as to how to use instruments such as the NER 300 pathway, the provisions for avoiding shortcomings as outlined under the Energy Efficiency Directive, clear priority and options for gap filling under the upcoming structural funds beyond 2020, etc. All this needs to be carefully reflected upon and legal objectives should be defined in the Impact Assessment and for the new draft RES Directive.
III. A reflection on common rules and principles for the way forward until 2030

We need in the Impact Assessment and in the Draft Directive guidance on best practices, stability of systems for the promotion of renewables and a flexible pathway which also enables the Commission with directive regulative and delegated powers.

The Directive needs to recommend common principles for support mechanism structuring, integrating the experience of the past years in a forward-looking way, embracing market integration, market coupling and grid development. Such rule book approach and guidance would be a must both for SME projects and citizens involvement as well as for large investments.

The rule book approach should trigger and steer regional cooperation and cross-border planning and investments, increasing joint knowledge and legal clarity.

Direct marketing rules and principles, tendering design under technology-specific auctioning schemes with thresholds for small projects with a stable and generous threshold as a rule for non-tendering support should be laid down.

The Directive should define a clear rule and principle excluding retroactive changes to support schemes and allow only for few and clear exemptions for changes which do not affect investment security. Clear rules should be developed on non-discriminatory support scheme design principles for the Member States’ approach.

The new Directive must foresee review clauses at the latest for 2025 in order to reflect on the various rules.

“The European Commission needs support from the new Directive and a good guidance structure in order to help Europe achieve the overall binding minimum target by 2030 and boost a sustainable economy. An Impact Assessment without a detailed chapter on rules and guidance to be integrated in the upcoming Directive is doomed to provoke failure of further renewable energy development in Europe.“, warned EREF President Savvas Seimanides.

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