

EREF

European Renewable Energies Federation

EREF is a federation of national renewable energy associations from EU Member States, such as wind, solar, small hydro, bio-energy, tidal, wave, and geothermal sources. EREF is striving to defend the interests of independent power, fuel and heat production from renewable sources and to promote non discriminatory access to the energy market. EREF is a member of EREC, the European Renewable Energy Council.

EREF's position on the European Parliament report on the 2050 Energy Roadmap

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The European Renewable Energies Federation (EREF) welcomes the European Parliament recent discussions on the 2050 Energy Roadmap and would like the Industry, Research and Energy (ITRE) committee members to consider the following:

A stable and predictable mid-term policy framework for 2030, with ambitious binding targets for renewable energy sources (RES) is urgently needed

EREF welcomes the vote in the Environment committee on its opinion to the 2050 Energy roadmap calling for a clear, ambitious and binding renewable target for 2030.

EREF calls on the ITRE committee Members to request from the Commission the proposal of binding EU minimum target of 45% renewable energy in 2030, combined with binding national targets and implemented through strong and consistent policies on national and on European level.

2030 RES targets necessary for the decarbonisation of the power sector

The European Union is committed to the long-term objective of a low-carbon society and a fully decarbonised power sector with renewable energies as main sources of energy supply by 2050. However, the current energy markets are very much distorted, with conventional energy still benefiting from market advantages and subsidies. The large-scale deployment of renewables requires a paradigm shift and a targeted policy framework.

The current RES Directive 2009/28/EC shows that a stable European framework, with an ambitious EU target and binding targets for Member States creates good conditions for the development of renewable energies.

2030 RES targets necessary for investment security

Renewables still need a reliable policy framework, on European and on national level, as they cannot yet fully compete in distorted markets without a level playing field.

Investment cycles in the energy sector are particularly long. Policies of today incentivize investments for the next decade. While the 2020 targets are supporting the current development of RES, a reliable post 2020 framework is an urgent requirement to facilitate future investment and the achievement of the EU decarbonisation targets in a cost-effective way. The upcoming

policy vacuum due to a lack of mid-term perspective undermines investors' confidence for new installations beyond 2016.

2030 RES targets necessary for the European recovery and green growth

As correctly pointed out by the European Commission in the Roadmap, renewables have the potential to create local and sustainable jobs and to contribute to the EU's competitiveness. In Germany, the sector has created 380,000 jobs and far more than half a million in the EU.

Renewable energy is considerably reducing Europe's dependency on fossil energy imports and therefore largely contributing to the security of supply. Investments made today will pay back tomorrow by drastically reducing the 470 billion EUR annual coal and gas import bill that the European Union is paying every year. A recent Greenpeace/EREC study¹ shows that the energy transition will necessitate investments that could range as high as 99 billion EUR, but can result in some 3 trillion EUR fuel savings.

⇒ The ITRE committee should follow the ENVI committee and adopt the amendments calling for an ambitious and binding 2030 renewable energy target.

The EU Emissions Trading System (EU ETS) cannot be the main driver for an efficient, competitive and clean energy mix of the future

A 2030 CO₂ reduction target only would fail to promote a smart mix of various RES. A carbon price alone would not remove investment uncertainty for most RES – in the contrary, it would open backdoors for unsustainable technologies of the past.

In the best case, it would promote the currently cheapest technologies and would thus be a missed opportunity for Europe to incentivize its innovation sector and industrial development. It would lead to sub-optimal solutions in the long-term, with the risk of locking-in outdated and highly emitting technology. The future decarbonised European power sector needs a broad diversity of renewable energy sources and only an ambitious RES target underpinned by a stable and reliable policy framework can ensure that.

The EU ETS has not yet proven its effectiveness to deliver on decarbonization. A well designed and properly functioning EU ETS could be a useful tool to set a price for carbon, but for smooth growth of a mix of renewables, it needs to be combined with an ambitious and binding RES target and enabling policies for implementation.

Decarbonisation is only one of the advantages of renewables. Renewables contribute to security of supply, a stronger economic growth and innovation, the creation of local jobs and the development of European leadership and competitiveness in green technologies. Therefore, a targeted and ambitious policy for RES is a must.

⇒ The ITRE committee should reject amendments calling for “CO₂ only” approach, low carbon technologies target or technology neutrality.

¹ Energy Revolution Report, a Sustainable EU 27 Energy Outlook, Greenpeace and EREC, 2012

The Optimization of national support schemes rather than an EU harmonization

Stable and predictable national support schemes have ensured cost-effective development of renewables and they will still be needed to pave the way for their future growth and cost decreases. Therefore EREF welcomes the current Commission work to prepare guidelines as exchange of best practices for good support systems to help adapt and improve national support schemes through learning from each other.

However, it should be kept in mind that Member States are different and a “one size fits all” solution does not exist. Different situations require different solutions. Instead of a harmonized EU renewables support scheme, further development and improvement of national support mechanisms through exchange of good-practise examples and enhanced coordination and cooperation will yield better results in further increasing the shares of renewables in Europe’s energy mix.

It is necessary to take into account resource availability to develop RES in a specific location. However, it needs to be highlighted that the cost of PV project or a wind farm does not depend only on the irradiation or the wind speed but in majority on other costs such as infrastructure costs, the cost of capital, administrative costs. And it depends on administrative barriers, which still have to be removed in a number of countries. It is today more expensive to finance and develop a PV project in Greece than in Germany, despite higher irradiation.

⇒ The ITRE committee should reject amendments calling for an EU harmonization of support scheme.

Conclusion: Renewable energies should be seen as way out of this economic and financial crisis. Investments in the sector have already been made by Member States and it is crucial not to waste these investments by sending the wrong signals to investors or by delaying decisions.

The European Parliament should help promoting this sector that will lead to more sustainable growth, innovation, jobs, leadership, and security of supply by sending the right signals to the European Commission and requesting urgently ambitious and targeted policy for the period post 2020.