



Directorate-General  
for Energy  
and Transport

# The European Commission's renewable energy proposal

*Clean Heat: Untapped Opportunity*  
*18 de April 2008, Prague*



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# ● Bases of the European Energy Policy - the three pillars

1. Growing concern about security and continuity of oil and gas supplies
2. Climate change
3. EU competitiveness

## ● 2007 January policy proposal

- January 2007 energy package proposed targets for 2020 of a
  - 20-30% GHG reduction
  - 20% energy efficiency improvement
  - 20% renewable energy including 10% biofuels

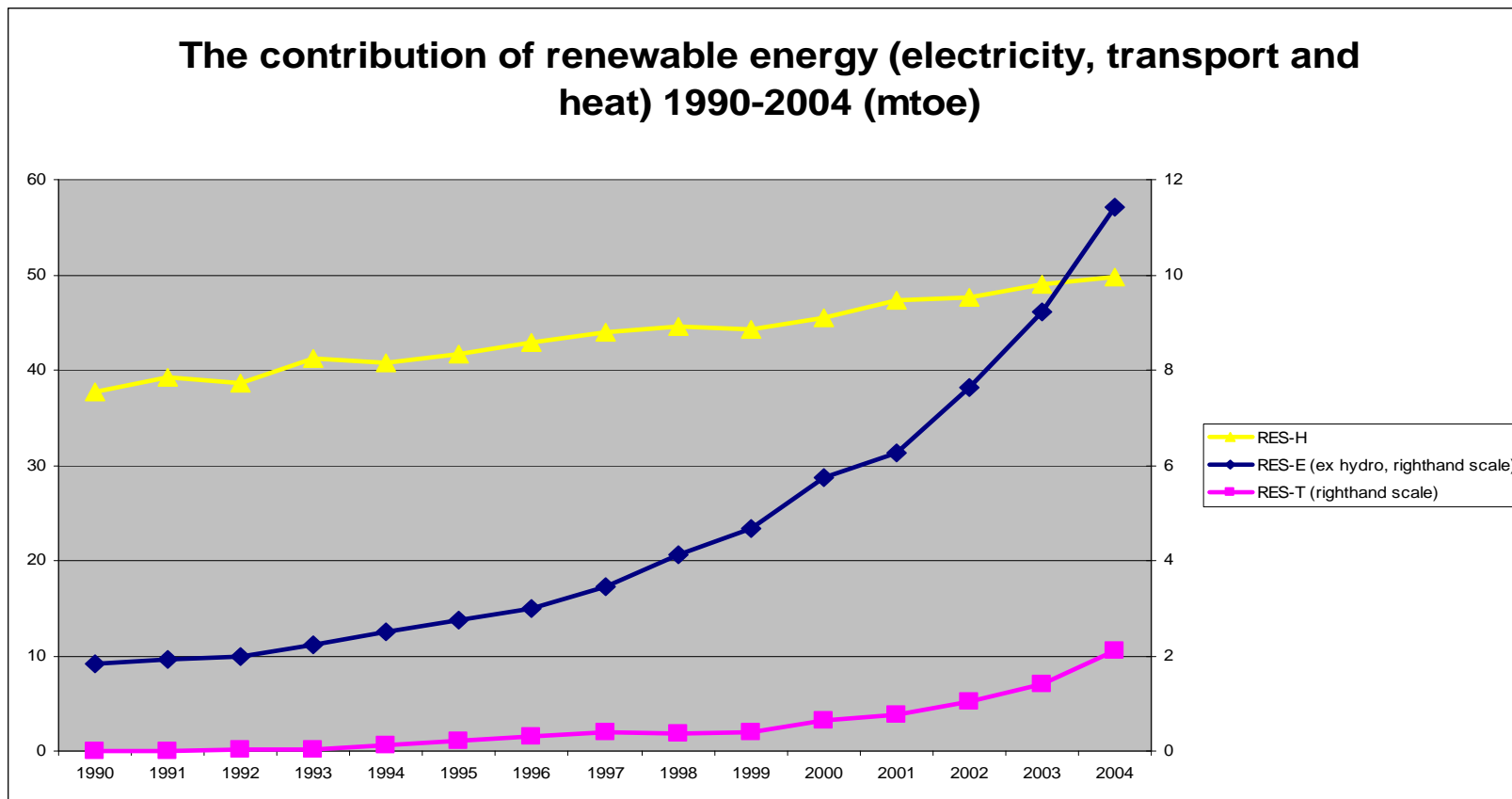
✓ **Broadly endorsed by Member States (March 2007 European Council) and Parliament (Thomsen Report of September 2007)**

## ● European Commission proposals 23/01/08

- A **new EU emissions trading scheme** with a European (not national) cap, auctioning of allowances: to generate reductions in GHG of 21%
- **New national targets** to achieve a **10% GHG reduction** in non ETS sectors
- A framework to promote the development of **CO<sub>2</sub> capture and storage**
- New **guidelines on state aid for environmental protection**
- A first assessment of submitted **National Energy Efficiency Action Plans**
- **New directive** to reach the **20% renewable energy target** and 10% biofuels target

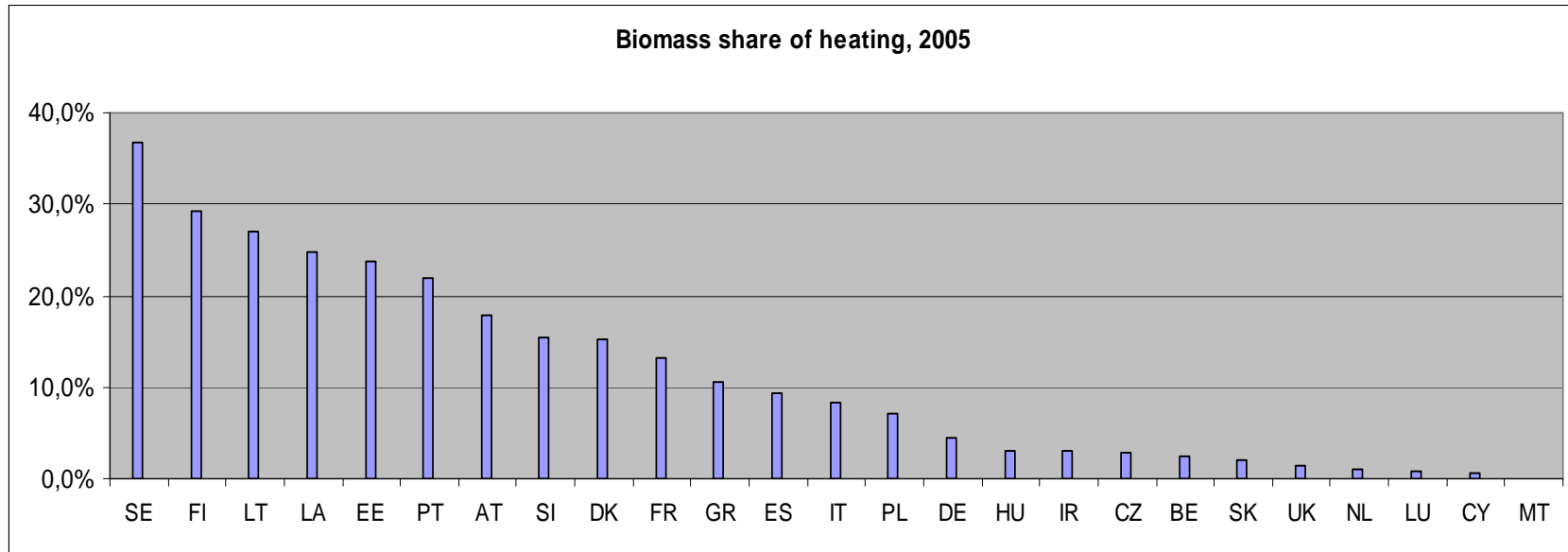
# ● Sectoral trends

Differences in legislative framework for electricity, biofuels, and heating and cooling established at EU level are reflected in the development of the three sectors:





# National variations in biomass heating across Europe

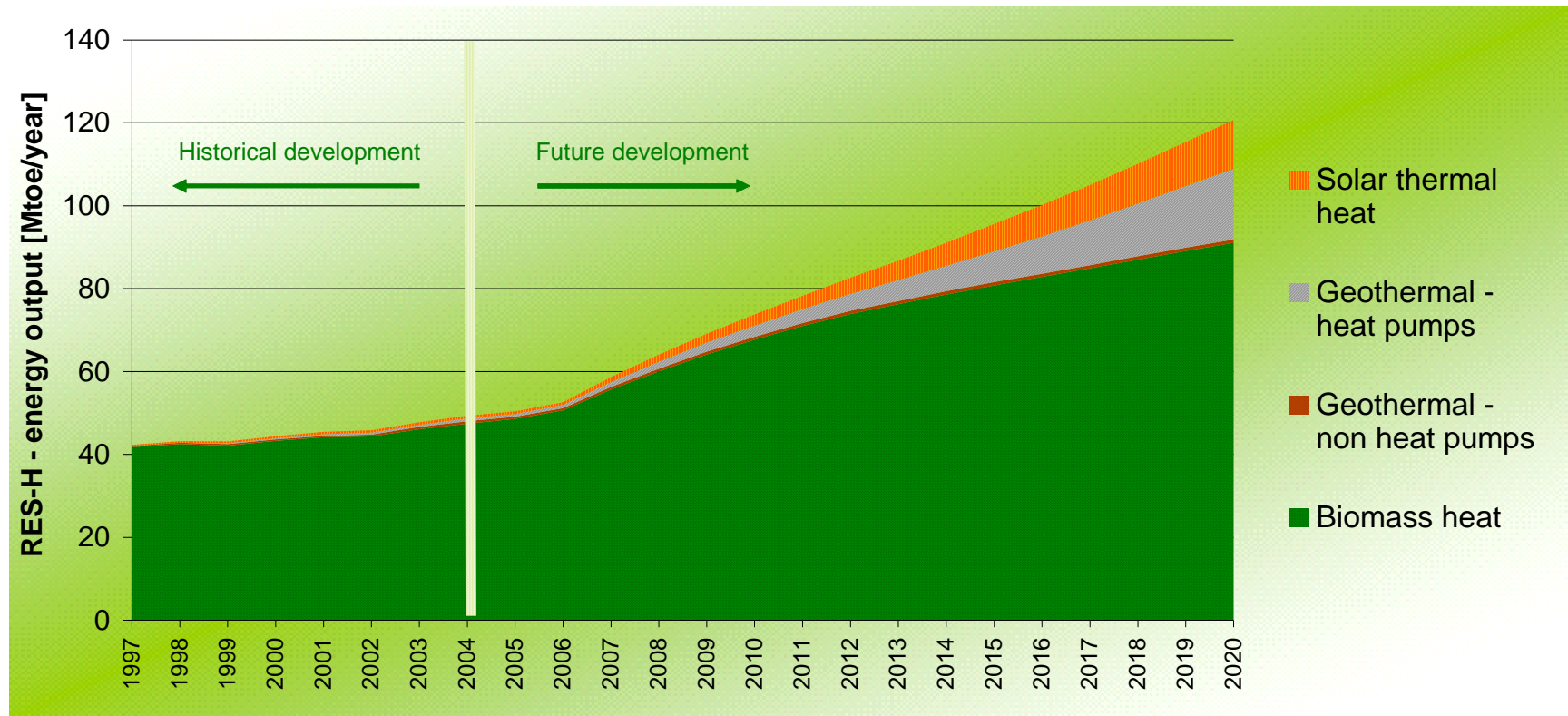


Source: Eurostat (Member States not shown have zero or near zero shares)

➤ **Its not just a question of biomass supply**

# ● How do we get there?

## Projections of renewable heating technology growth



# ● **Status of heating and cooling**

**almost 9% (~50mtoe)**

- ✓ **slow growth rate**
- ✓ **absence of EU legislation**
- ✓ **no coordinated approach**
- ✓ **no consistency of support mechanisms**
- ✓ **lack of appropriate policy and targets**
- ✓ **administrative barriers**



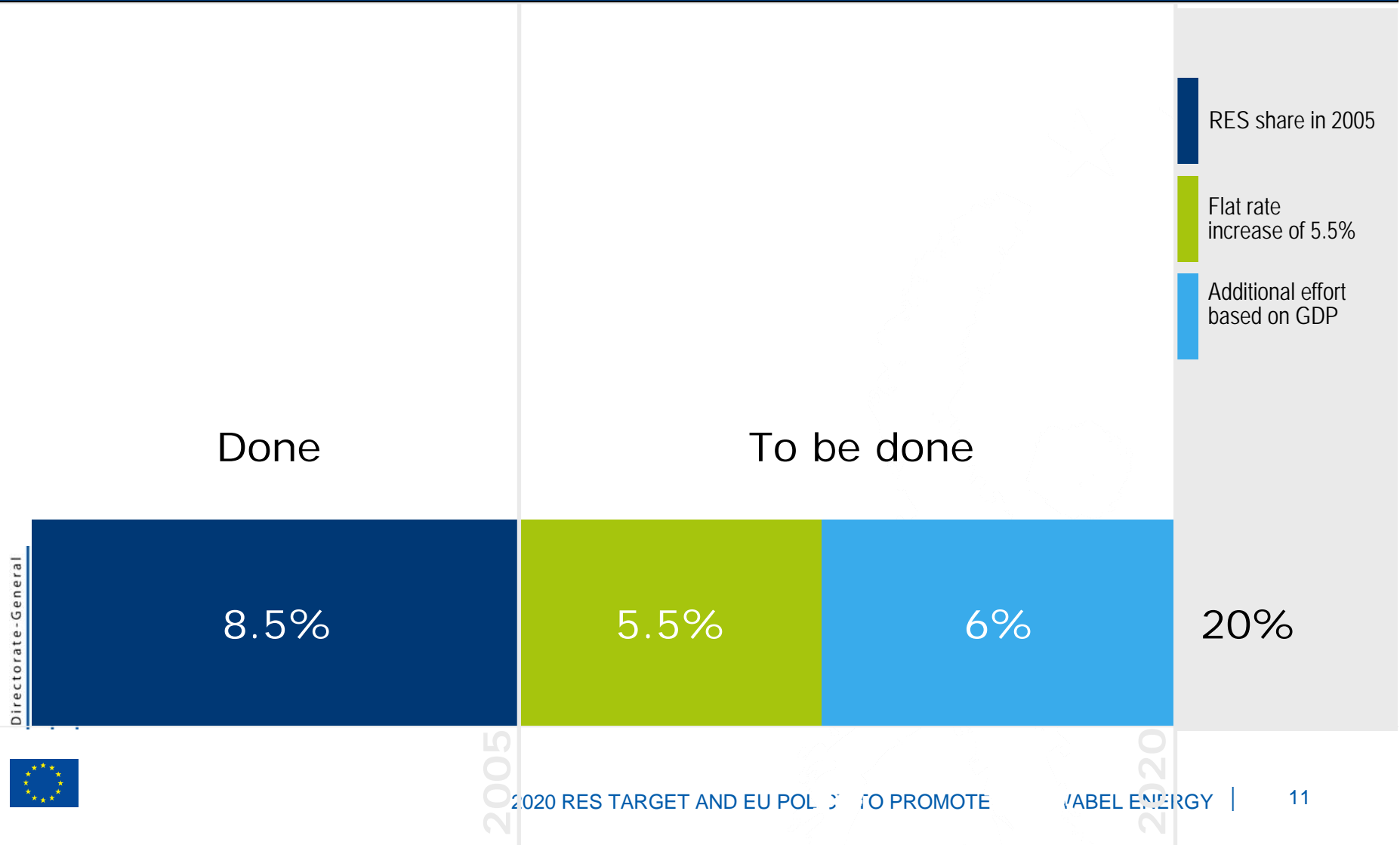
# ● The renewables Directive

1. Sets **mandatory national targets** for renewable energy shares, including 10% biofuels share, in 2020 (*Articles 3 and 5*)
2. Requires **National Action Plans** (*Article 4*)
3. Standardises “**guarantees of origin**” (certifying the renewable origin of electricity or heat) and enables the transfer of these to provide **flexibility** to Member States (*Articles 6, 7, 8, 9 and 10*)
4. Requires **reduction of administrative and regulatory barriers** to the growth of renewable energy (*Article 12*), improvements in provision of **information and training** (*Article 13*) and improves renewables’ access to the **electricity grid** (*Article 14*)
5. Creates a **sustainability regime for biofuels** (*Articles 15-18*)

# ● Target setting methodology

## Sharing the 11.5% increase between Member States:

- **2005 is the base year for the whole energy package**  
2005 share is modulated to reflect national starting points: a third of national growth between 2001 and 2005 is deducted from the 2005 actual share for those Member States whose growth over the period exceeded 2%
- **5.5% is added to the modulated 2005 share of renewable energy for every Member State**
- **The remaining effort is weighted by the GDP**
- **These two elements are added together to derive the full renewable energy share of total final energy consumption in 2020.**
- **A cap is imposed to ensure that no Member State faces a target of 50% or more.**



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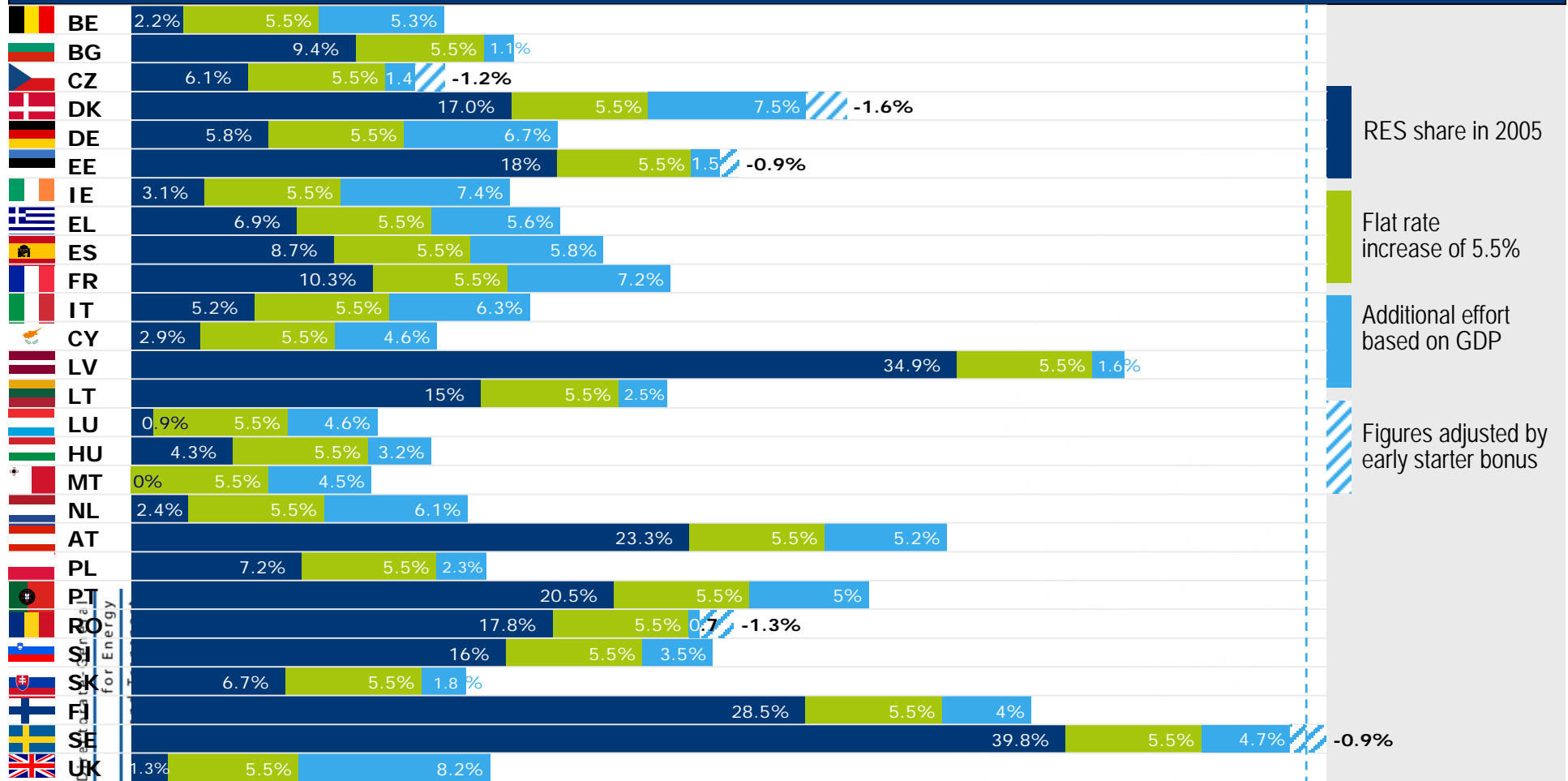


2005

2020

# EU-27 efforts in Renewables

## Early starter bonus and cap

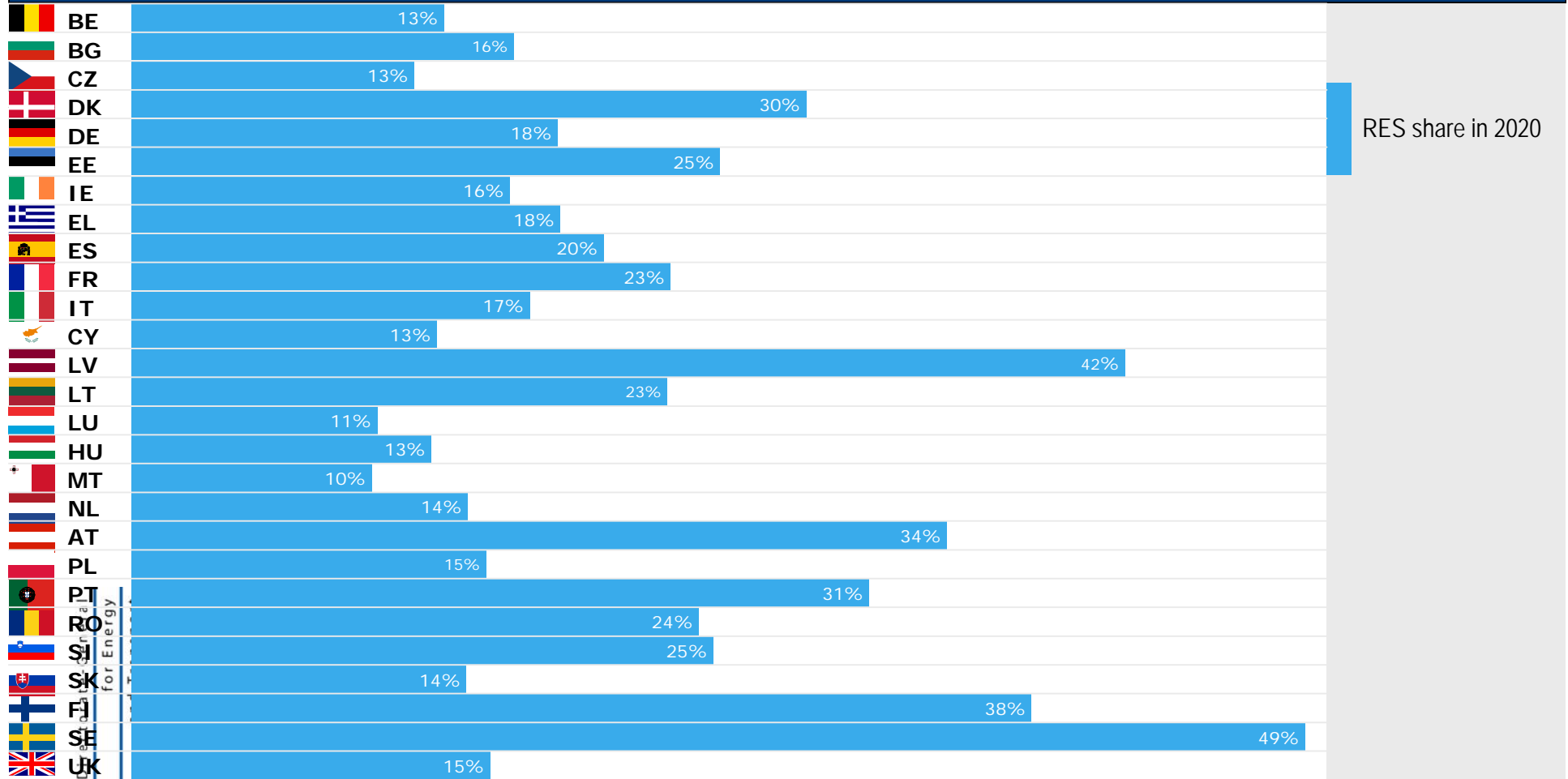


2020 RES TARGET AND EU POLICY TO PROMOTE

RENEWABLE ENERGY LABEL ENERGY

**EU 50% cap**

## EU-27 efforts in Renewables RES share in 2020



# ● National Action Plans

- Sectoral targets now set by Member States
- Measures adequate to achieve the targets including planned development of biomass resources
- Provides policy stability for investment



# ● The proposed flexibility mechanism: Guarantees of origin for renewable electricity and large-scale heat

- Builds on the framework created by 2001/77/EC
- Member States meeting their trajectory may transfer extra GOs to other Member States
- GOs from new installations may be transferred by companies (“persons”)
- Member States may create a system to require prior government approval of such transfers

# ● Administrative reforms

- **Requires reforms of administrative and regulatory barriers to the growth of renewable energy**
  - » simplification and streamlined procedures
  - » planning authorities to consider renewable energy and district heating and cooling systems
  - » minimum levels of renewable energy in building codes for new or refurbished buildings
  - » promotion of energy efficient renewable energy
  - » certification regimes for installers; mutual recognition





# ● **Grid access: improves renewables' access to the electricity grid**

- Builds on existing access conditions in 2001/77/EC
- Requires Member States
  - » to provide priority access to the grid system for electricity from RES
  - » to develop grid infrastructure
  - » to review cost sharing rules





# Promotion of biofuels (1)

## - Sustainability criteria for biofuels

- GHG savings – minimum of 35%
- No raw material from undisturbed forests, biodiverse grassland, nature protection areas (unless taken harmlessly)
- No conversion of wetlands and continuously forested areas for biofuel production (to protect carbon stocks)
- All EU biofuels must meet “cross compliance” environmental rules



## ● Promotion of biofuels (2)

- **Consequences of not meeting the criteria:**
  - » **Biofuels do not count towards targets**
  - » **Not eligible for national biofuel obligations**
  - » **Not eligible for tax exemptions and similar financial support**
- **Verification of compliance:**
  - » **Responsibility of Member States**
    - **To reduce the administrative burden, Commission can decide that “certification schemes” give reliable proof of compliance**
    - **If so, all Member States have to accept these certificates as proof**



## ● **Timing**

- ***Policy* proposal of the Commission, January 2007**
- **Endorsed by the European Council, March 2007**
- **Endorsed by Parliament, September 2007**
- ***Legislative* proposal of the Commission, January 2008**
- **Discussion by Council of Ministers, European Council and Parliament through to 2009**
- **Adoption April 2009???**



For more information:

[http://ec.europa.eu/energy/index\\_en.html](http://ec.europa.eu/energy/index_en.html)

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● *Thank you for your attention!*