



EWEA briefing on the European Commission's proposal for a Directive on the promotion of the use of renewable energy sources

Scope

The stated objective of the proposal is to establish a common framework for the promotion of energy from renewable sources, set mandatory targets for the overall share of energy from renewable sources in energy consumption, lay down rules relating to guarantees of origin, administrative procedures and electricity grid connections.

Definitions

The proposal carries forward the definitions contained in Directive 2003/54/EC, as well as proposing further definitions such as “biomass”, “final consumption of electricity”, “guarantee of origin”, “support scheme” “renewable energy obligation” etc.

Targets for the use of energy from RE

Article 3 sets the 2020 targets for the Member States (contained in annex IA) and interim targets (contained in Annex IB as the indicative trajectory for 2011-12, 2013-14, 2015-16 and 2017-18). Interim targets are crucial given the importance of monitoring Member State progress and encouraging Member States to initiate timely action to ensure the final 2020 target is met. Furthermore, Member States which achieve their interim targets and companies in those Member States will be allowed to export surplus Guarantees of Origin.

It is interesting to note that, whilst referring to the overall 20% EU target in the recitals, the Commission proposal fails to mention the overall target of 20% renewable energy by 2020 in article 3, despite this appearing in earlier internal drafts of the proposal. Although this has no significant practical implication (given the article contains a reference to the Annex that sets the targets), a direct reference to the target in the legal articles would be welcome.

National Action Plans

Member States will have to submit an Action Plan to the Commission by the end of March 2010 on how they will achieve their assigned target, including the sectoral breakdown and the measures they will adopt to allow a higher penetration of RES.

If a Member State fails to reach an interim target (its indicative trajectory) then it will be required to submit an updated Action Plan to the Commission. Of particular concern to EWEA is that this appears to be the only enforcement mechanism available to the Commission to ensure that Member States meet their binding 2020 targets.

Calculation of the share of energy from RES

The measurement will be made in final energy consumption.

Member States will be able to ask the European Commission to take into account energy plants of greater than 5,000MW that would be under construction by 2016, but



operational between 2020 and 2022. The Commission proposes to develop by 2012 rules for the implementation of this provision (via Comitology). Essentially, this is a derogation for the UK government concerning the Severn Barrage, a potential tidal power project (app. 8,600MW), which in effect allows renewable electricity produced after 2020 to count towards the UK target.

EWEA is concerned that Member States will be able to ask the Commission to take account of *force majeure* as a factor if they consider that, as a result, they will be unable to reach their 2020 target. The Commission will be able to adjust the Member State's 2020 target accordingly.

Member States will be able to take account of renewable electricity produced in non-EU countries if:

- the non-EU exporting country adopts a national overall target to the degree of rigour equivalent to that of the EU Member States;
- the non-EU exporting country establishes a GoO system; and
- the electricity is consumed in the EU (but not necessarily the same Member State).

Guarantees of Origin (GoO)

The Commission has proposed that Member States issue (electronically) a guarantee of origin to producers of renewable electricity for each MWh of energy produced. GoO must be mutually recognisable by all Member States. GoO must be submitted for cancellation (within 12 months after its issue) to the Member State when the production of a unit of electricity:

- receives support in the form of feed-in tariff payments, premium payments, tax reductions or payments resulting from calls for tenders;
- is taken into account for the purposes of assessing an entity's compliance with a renewable energy obligation; or
- an energy supplier or energy consumer chooses to use a guarantee of origin for the purpose of proving the share or quantity of renewable energy in its energy mix, without claiming the benefits of a support scheme.

Should a Member State achieve or exceed its most recent indicative intermediate target, GoO may be transferred (exported) by the Member State or a company in that Member State. Member States have the option of creating a system of 'prior authorisation' to oversee the transfer of GoO in order to ensure that:

- a secure and balanced energy supply is not undermined;
- the environmental objectives of Member States' support schemes are not undermined; and
- the Member States' ability to meet their interim targets or 2020 targets is not undermined.

This concession enables Member States to remain in control of their own renewable energy policies and will prevent, for example, Germany's feed-in system or the UK's green certificate system from being undermined.



By December 2014, the Commission will, depending on data availability, assess the implementation of the provisions relating to the transfer of GoOs, together with a cost/benefit analysis, possibly accompanied by legislative proposals. A partial review in 2014, as opposed to 2017 proposed in earlier Commission drafts, seems somewhat premature given a number of the Directive's other provisions will need to be reviewed prior to 2020, and could add an element of uncertainty.

Administrative procedures

The Commission has proposed that Member States must ensure their administrative and planning procedures are both proportionate and necessary. The proposal establishes a number of principles which Member States should apply to their administrative procedures, such as:

- less burdensome procedures for smaller projects;
- streamlined procedures carried out at the appropriate level;
- a clear definition of responsibilities and precise deadlines for planning applications.

In the first report Member States submit to the Commission (by 30 June 2011) they must outline whether they intend to:

- establish a one-stop-shop for processing authorisation, certification and licensing applications for renewable energy installations;
- provide for automatic approval of planning and permit applications if the authorising body fails to respond within the set time limits; and
- indicate geographical locations suitable for renewables in land-use planning.

In future reports, submitted to the Commission every two years, the Member States must outline the progress made in evaluating and improving their administrative procedures. EWEA would like to see Member States face further requirements for improving their administrative procedures.

Information and training

The Commission asks Member States to improve information on the net benefits of RE production and consumption and to develop accreditation schemes for some RE technologies, and to ensure that information on support measures is made available.

Grid access

The proposal establishes that Member States shall provide for priority access to the grid system of electricity produced from renewable energy sources. When dispatching electricity generating installations, transmission system operators shall give priority to generating installations using renewable energy sources insofar as the security of the national electricity system permits.

The Commission has proposed that Member States must take the necessary steps to develop grid infrastructure to accommodate the further development of electricity from renewable energy sources. The Commission proposes that Member States



require TSO and DSO to set up and publish their standard rules on costs of technical adaptations, which are based on nondiscriminatory criteria. The proposal also establishes that Member States may require TSOs to bear these costs in full or in part. Member States will have to review and take the necessary measures to improve the frameworks and rules for bearing and sharing of costs to ensure the integration of new producers.

The Commission has proposed that TSOs and DSOs must provide new producers wishing to be connected to the grid with a comprehensive and detailed estimate of the costs, and Member States may put such connection work out to tender. Member States must ensure that transmission and distribution fees do not discriminate against electricity produced from renewable sources, and put in place a legal framework to ensure that the fees charged by TSOs and DSOs reflect realisable cost benefits resulting from the plants' connection to the network.

Reporting

Member States will be required to submit a report every two years to the Commission, the first one due by the end of June 2011. The report must detail:

- the sectoral and overall shares of renewable energy in the preceding two years and measures taken or planned so that the indicative trajectory is met;
- support schemes;
- the functioning of the GoO system;
- progress in evaluating and improving administrative procedures;
- measures taken to ensure the transmission and distribution of renewable electricity; and
- measures taken to improve the framework or rules for bearing and sharing of costs.

On the basis of the Member States' reports, the Commission will submit a report every two years to the Council and European Parliament.