

Inforse Seminar Romania

European Renewable Energy Policies and Obstacles

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EREF - a short introduction

- EREF, the European Renewable Energy Federation is a federation of national associations from EU member states which represents the voice of small and medium sized producers of electricity, fuel and gas from renewable energy sources. EREF works for secure access to the overall energy market and a level playing field and serve as information and exchange pool for its members and other parties
- EREF represents more than 17.000 MW installed capacity

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EREF'S Objectives

- Fair access for RES to the overall energy market
- Level Playing Field
- Stable investor climate
- Overcoming huge imbalances created by and for the traditional centralised power market via lavish, often hidden financial support
- Abating administrative barriers for RES production and supply

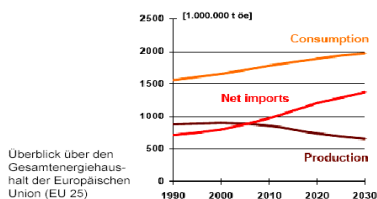
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Europe's Renewable Targets

- Doubling of share of RES energies from 5.4 % in 1997 to 12.0% by 2010 plus (consumption figures)
- Target discussion for 2020 (20%) (Current German government for ex. aims for 30 % EU wide, own effort 40 % envisaged)

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Overview Total Energy Economy EU 25



Quelle Dr. Kopetz, Landeskammer für Land- und Forstwirtschaft Steiermark

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Main Instruments so far

- Promotion of RES Electricity production from 14 % in 1997 to 21,00 % in 2010 (for EU 25 (Directive 2001/77/EC))
- Promotion of share of biofuels in transport via replacement of mineral diesel and gasoline, 5.75 % until 2010 , and 20 % in 2020 (Directive 2003/30/EC) and via accompanying taxation exemption for biofuels (modified directive for t energy taxation and electricity (Directive 2003/96/EC))
- European Emissions Trading Scheme (ETS)
- CHP Directive
- Energy Efficiency in Building Directive
- Upcoming: Directive on Energy Services

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Capacity Strengthening - does this matter for Europe ?

- Capacity Strengthening -A typical term from development programmes in the broadest sense - what has that to do with us?
- Many reasons apparent for need for capacity building in biomass and in energy policy in Europe in general
- In many ways Europe still on its way to sustainable capacity and institutions and danger of failure is imminent

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The missing policies

- Missing: Getting the overall picture right: Market liberalisation since 1996 lead to concentration of power and oligopolies
- Institutionalised discrimination of decentralised bio energy production of supply:
- Via EURATOM - as long as this promotion instrument remains in place, Europe's energy policy remains undemocratic and unbalanced
- As consequence the unbalance is translated since decades into EU Research and Development Funding
- Level playing field is hindered by overall harmful subsidies to the fossil and nuclear sector

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Unfair priority for Nuclear in the EU

- European research for Renewables is a pittance in relation to Nuclear research
- The European Commission acknowledges that funding for renewables and energy efficiency dropped from an average of 138 million EUR per year in Research programme FP-5 (1999-2002) to 108 million EUR1 per year so far in FP-6 (2003-2006).
- In comparison, the European Commission proposes to increase the nuclear research budget under the Euratom R&D framework programme from 1352 million EUR in the period 2002-2006, to 3103 EUR million in the period 2007-2011.

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Missing instruments in bio energy policy on EU level

- Missing: instruments and regulations in the Bio Energy Sector, such as:
- Bio Energy Quality Standardisation
- Bio fuel quality policy with blending and new classification (E85)
- Binding targets for all bio energies
- Promotion of bio heat and cooling
- Promotion biomass based CHP
- Promotion of use and access of biogas to the natural gas grid and as transport fuel
- Proactive open trade policy approach via tax and trade means which make bio energy producers from outside and within EU become fair partners versus mineral oil import
- Agricultural policy instruments as CAP reform for decentralised bio energy production and supply and opening rotation system, set aside policies

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Member States and Capacity building

- In some EU countries (e.g. all of the new Member States) bio energy has only low market penetration yet
- Lack of training and awareness of the farming community, households, school/university level and administration alike
- Pool of good examples needed -such as many success stories for example from Austrian regions or German regions with own financial support instruments to encourage use of biomass

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Translation of EU directives into National legislation/programmes

- Correct transposition
- Commitment to targeted production increase
- National and regional bio energy programmes
- Establishment of adequate multidisciplinary administrative structures on national and regional/local level
- Open and easy administrative procedure for planning, installation and running of bio energy facilities
- Priority access principle for feed in of bio energy (especially biogas, bioelectricity)
- Promotion of multitude of different forms and use of bio energy

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Further instruments

- National research and development programmes
- Tax incentives for RES energy projects
- Stable investor climate
- Financial support via public sources/specialised bank programmes
- Phasing out of harmful subsidies to fossil and nuclear sector
- Reform of agricultural instruments and information policy
- Establishment of use of RES in new and existing energy production especially increased promotion of CHP on biomass and Biogas

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Some Guiding Lines

- *To date, feed-in systems with guaranteed prices have been most successful*
- *and rapidly increasing the share of RES-based electricity,*
- *and promoting economies of scale in production and learning.*
- *They are well established and accepted in a number of EU member states.*
- *Some member states have just introduced their own systems and need time*
- *to prove the viability of these systems to ensure investor confidence.*
- *The European Commission must significantly increase its focus on existing market*
- *distortions that result from open or hidden subsidies to the traditional electricity market*
- *and conventional energy sources, and must encourage better calculation and*
- *internalisation of external costs into the pricing of electricity.*

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Some Guiding Lines

- *A better use of EU structural fund regulation favouring investment in RES projects*
- *and a clear group exemption for various support schemes for RES technologies*
- *may better foster further increase than any harmonisation of the major support*
- *schemes in Europe towards a single "one fits all" system*
- *Finally, the European Commission should require more ambitious*
- *and binding targets for the increase of RES-based electricity combined*
- *with measure to considerably decrease overall electricity consumption and*
- *increase efficiency.*

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