

CAN Europe position paper on a *revised renewable energy directive* for the period after 2020

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Introduction

The 2009 Renewable Energy Directive has had a critical impact on the market volumes and therefore also on cost reductions of renewable energy in the European Union¹.

The determining success factors for this were:

- The establishment and implementation of national binding targets;
- The provision of a stable, reliable and predictable overall framework for renewable energy development;
- The inter-linkage between the renewable energy target and the overall climate mitigation targets;
- And the decision to ensure flexibility and provide opportunities for national 'adaptation'.

Between 1995 and 2000, the share of renewable energy in the final energy consumption in the EU grew by on average only 1.9% a year. Between 2001 and 2010, with indicative targets, the average growth rate increased to 4.5% per year. With legally binding national targets, the growth accelerated further. In 2012, the share of renewable energy sources increased by 9.3%, thereby substantially reducing CO₂ emissions, the EU demand for fossil fuels and in particular the consumption of natural gas.

However, with over 60% of EU's renewable energy coming from bioenergy (only partly subject to sustainability criteria and greenhouse gas accounting), the Renewable Energy Directive has only partially helped achieving the EU's energy and climate goals. Without appropriate planning and safeguards, some large-scale renewable energy deployment has also caused negative environmental impacts.

¹ Key lessons from the RED are included in the NGO report 'Effective Governance for the EU 2030 Renewable Energy Target' (available at <http://www.caneurope.org/docman/position-papers-and-research/renewable-energy-1/2643-effective-governance-for-the-eu-2030-renewable-energy-target-ngo-policy-recommendations?path=position-papers-and-research/renewable-energy-1>).

KEY POLITICAL MESSAGES

- The Renewable Energy Directive for the period 2021-2030 should build upon the successful provisions of the current directive. Therefore, **revising** the current directive should be the preferred option (as a new directive would require (re-) negotiation of every single article of the (new) directive and would increase the risks that some of the provisions of the current directive that need to be carried forward get weakened in the co-decision process).
- As emphasised by the European Commission, the starting point of the 2030 targets should be the **full implementation of the 2020 targets**.
- The ‘at least 27%’ target put forward by the European Council falls well short of the potential contribution of **at least 45% renewables by 2030** and should be reassessed in light of the successful outcome of the Paris Climate Summit. The directive should include a **revision clause** that enables an efficient increase of the target once the EU decides to review its greenhouse gas emission reduction target for 2030. The interplay of energy efficiency and renewable energy targets is crucial; both should be adjusted in parallel.
- For delivering on the 2030 targets, overall **national binding targets** remain the preferred option. Indeed, given the importance of capital costs for renewables, clear and binding targets and trajectories will provide visibility for investors and therefore act as a de-risking lever, which will at the end make the energy transition cheaper.
- NGOs and other stakeholders have demonstrated that the global energy mix can be **100% renewables by 2050²**. The EU should achieve this goal (well) before 2050. A **long-term perspective** is vital to ensure that measures implemented to achieve the 2020 and 2030 targets increase the likelihood of delivering the 2050 goals. It is crucial to ensure that system elements with an extended life span, particularly electricity transmission and distribution infrastructure, are appropriately designed to allow increasing volumes of (variable) renewable energy in the system. The long-term vision should serve as a guide and not as an excuse to postpone important investment/divestment decisions in the coming two decades.
- The 2009 directive showed the importance of providing a **detailed, binding template for planning and reporting**. The standardised reporting facilitated the monitoring of Member State actions and increased transparency for investors. Such plans should include a smart **retirement process for polluting power production sources** in order to avoid fossil fuel dependency and to provide space for renewables in power markets with over-capacity.
- It is crucial for the **European Commission to regularly report** (e.g. on a biannual basis) on progress made by Member States, and to draw overall conclusions from the analysis of the 28 Progress Reports and highlight challenges as well as success stories.

² See [http://www.greenpeace.org/eu-unit/Global/eu-unit/reports-briefings/2012%20pubs/Pubs%203%20Jul-Sep/E\[R\]%202012%20lr.pdf](http://www.greenpeace.org/eu-unit/Global/eu-unit/reports-briefings/2012%20pubs/Pubs%203%20Jul-Sep/E[R]%202012%20lr.pdf).

- The **national support schemes** adopted by EU Member States have been instrumental in the substantial deployment of renewable energy in recent years and will continue to play an important role in ensuring the required investments for reaching the 2030 target. Provisions mandating the adoption of support schemes should therefore be maintained in a reviewed directive. Renewable energy development should continue to receive support in ways that are tailored to local conditions, allowing the full benefits of the renewable energy potential to remain local, which is important to foster public support for renewable energy.
- Rules and regulations governing today's electricity markets are still largely fit for conventional power generation and often exclude or hamper new technologies and solutions. **Prices reflecting actual scarcity** - including of available transmission capacity - and rewarding flexible production and consumption are key ingredients of any energy market design. **Harmonised gate-closure time** across the EU with **shorter trading intervals** should get the highest priority. It is also of utmost importance that the principle of **priority access and dispatch** enshrined in the current directive is maintained after 2020.
- The revised Renewable Energy Directive should create a clear **framework for renewable self-consumption and -generation**, in close conjunction with energy efficiency and savings. It should include a right to self-generate and consume renewable energy, and **fair access to the market for community energy projects and prosumers** in order to properly value the excess of electricity that is not self-consumed.
- In order to ensure that the energy targets are reached in a sustainable way and contribute to the overall greenhouse gas emission reduction targets of the EU, adequate **sustainability safeguards for bioenergy** are needed³. Based on the results and impacts of the current directive, it is clear that there should **not be a new dedicated transport target** in the revised directive.
- The revised provisions in the directive will need to be **transposed by the end of the decade** to avoid a legal vacuum post-2020.
- Without a **strong legal framework** in the form of a (revised) Renewable Energy Directive, the European Commission would not be able to resort to infringement proceedings, which contribute significantly to the effectiveness of the directive. Following up on the implementation of the directive should be a priority for the European Commission. The directive should also enable the European Commission to intervene when Member States make counter-productive (retroactive) changes to their regulatory framework such as retroactive changes to support mechanisms.

³ For detailed NGO recommendations on the role of bioenergy in the EU climate and energy policy post-2020, see: http://www.birdlife.org/sites/default/files/attachments/Bioenergy_post_2020_NGO%20recs.pdf.



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Climate Action Network Europe is Europe's largest coalition working on climate and energy issues. With over 130 member organisations in more than 30 European countries, CAN Europe works to prevent dangerous climate change and promote sustainable climate and energy policy in Europe.