



Renewables in the EU Green Deal and recovery strategy

25 November 2020

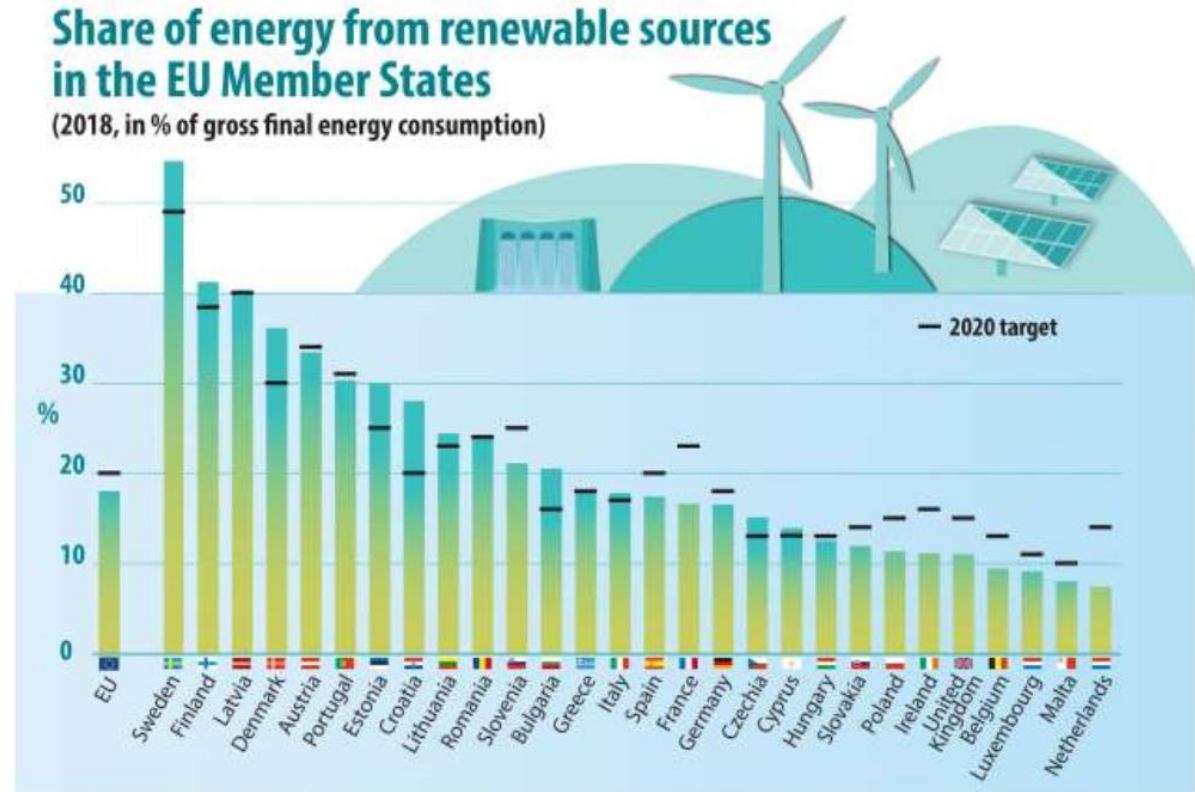
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1. Renewables in the EU Green Deal

Renewables in the EU: state of play

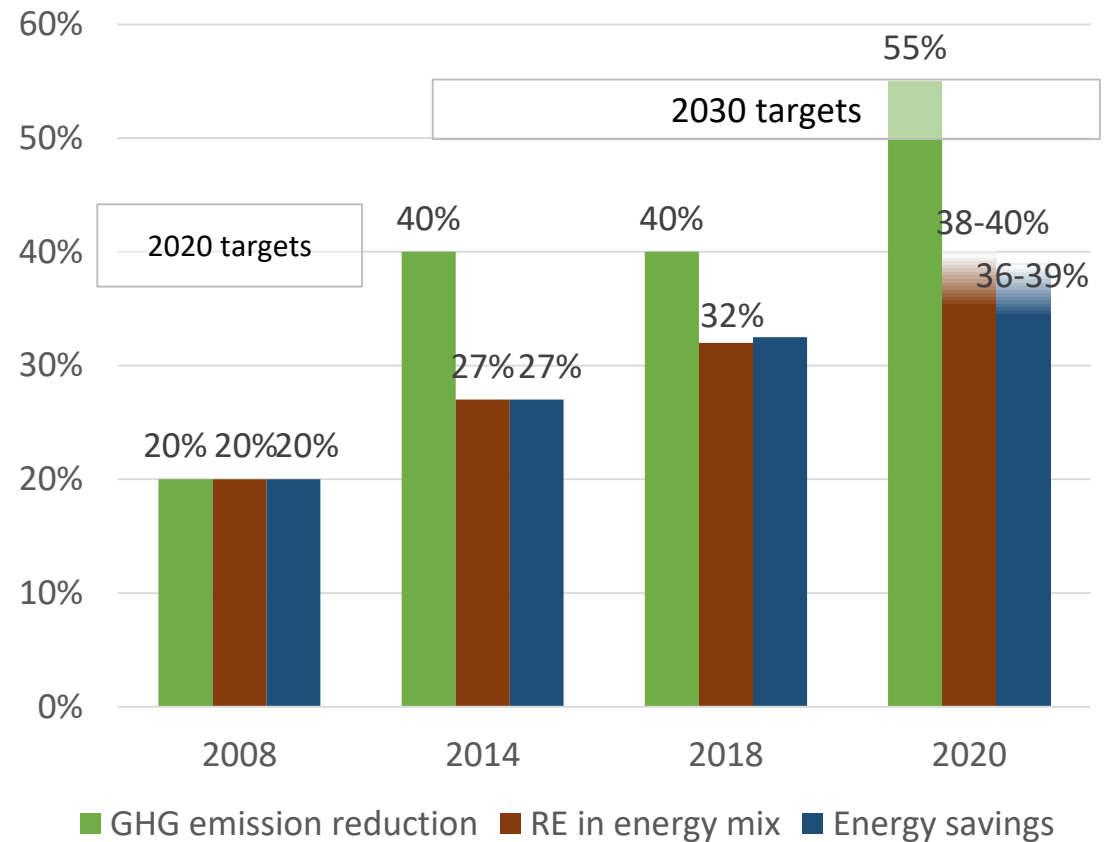
- EU on track to 20% RES target
- One third of electricity use comes from RES
- More than 1.5 million people currently working in the sector in the EU; estimated annual turnover of €160 billion



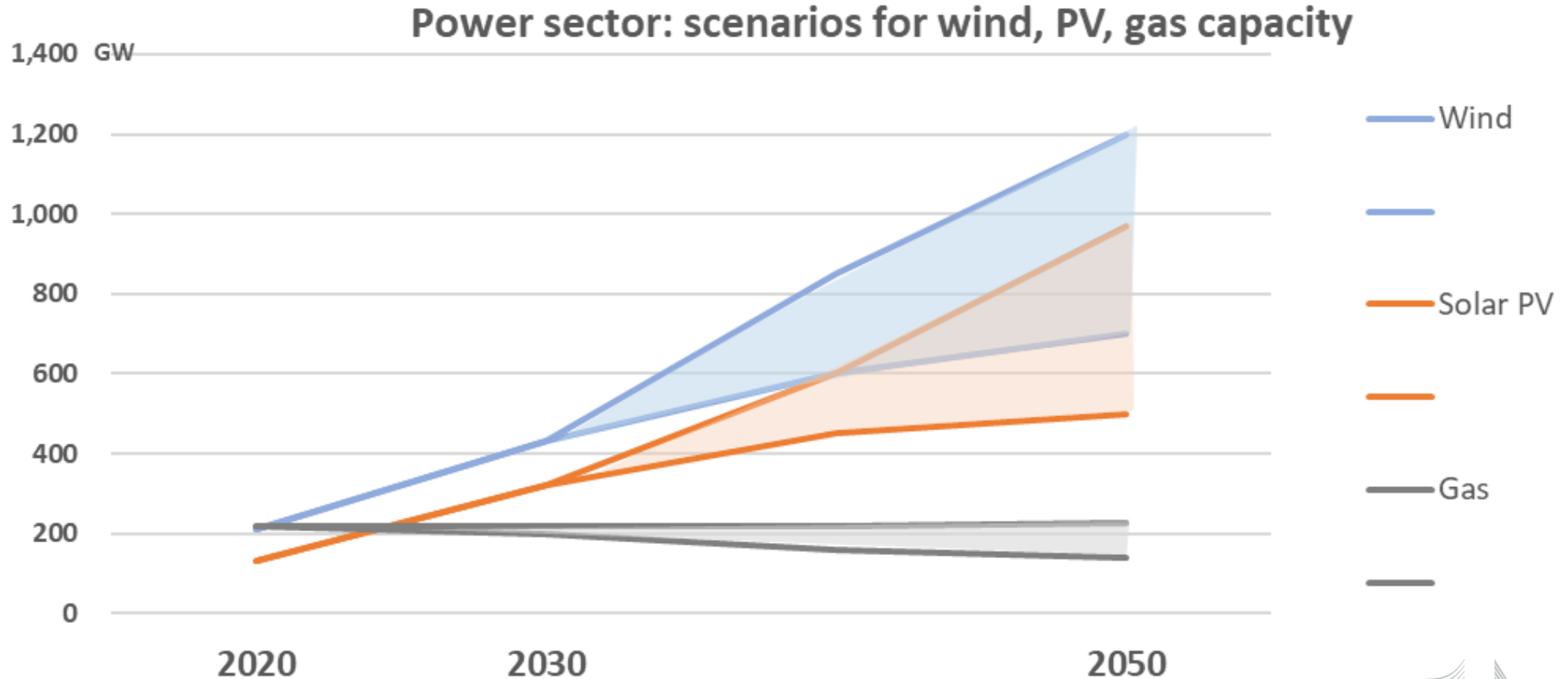
ec.europa.eu/eurostat

Renewables in the EU Green Deal

- Guided by LTS and European Climate Law – 2050 net zero emissions.
- Pathway to get to the 2050 target: Commission proposed a new 2030 EU GHG target of 55%. This means 38-40% RES and 65%+ RE electricity!



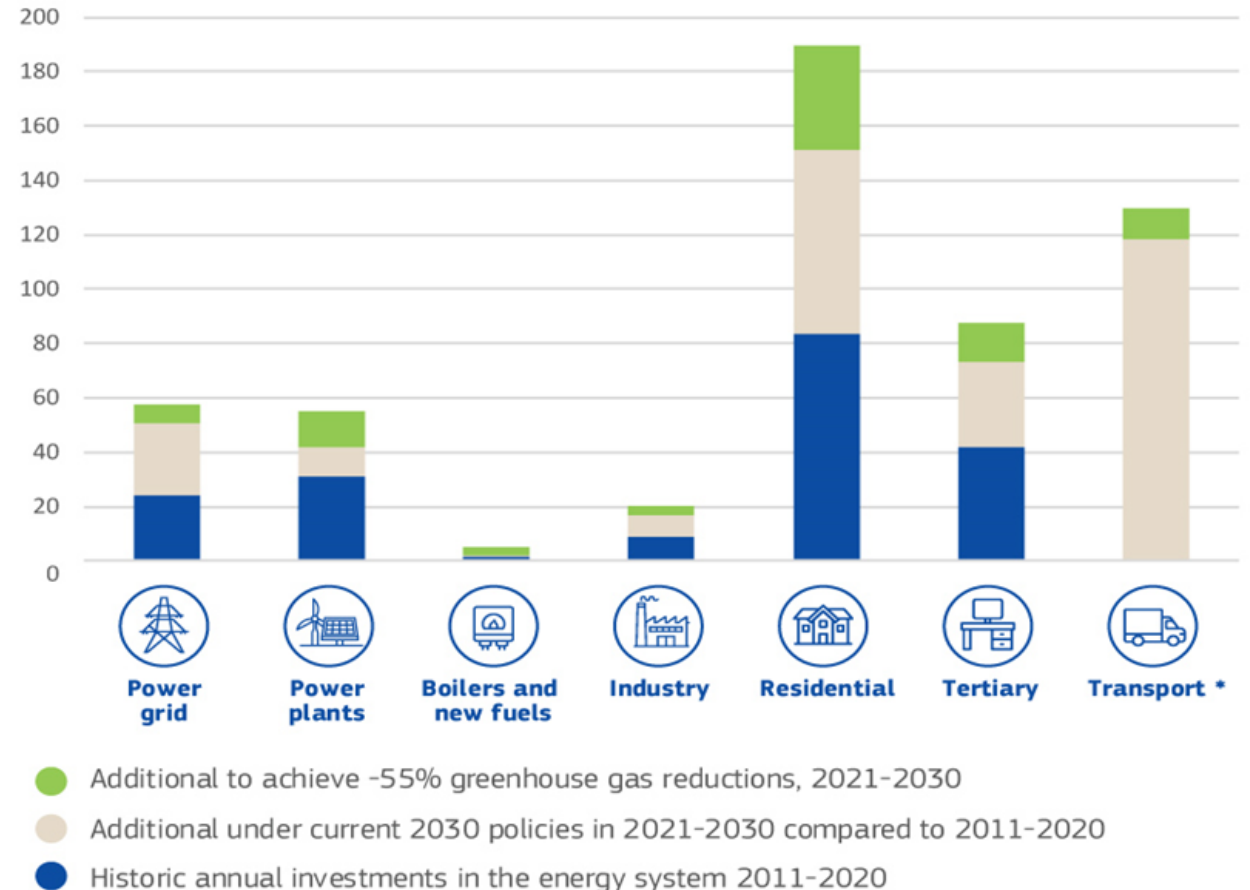
Renewables in the EU Green Deal



Investment needs

- Energy sector investment needs will increase.
- Buildings, transport, power grid, generation.
- Average annual investment in the energy system: ca. EUR 350 billion higher in 2021-30 than in 2011-20.
- Compared to existing policies: increase of EUR 90 billion.

Average annual investment 2011-2020 and additional investment 2021-30
under existing policies and to achieve -55% greenhouse gas emission reductions
(in billion EUR 2015)

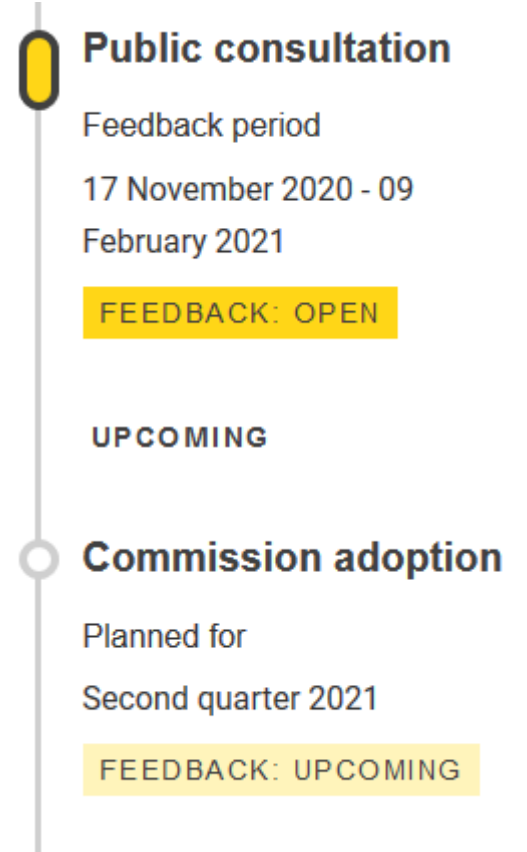


Source: PRIMES model

* transport only shows additional investment

EU Green Deal: next steps

- By June 2021, Commission will review, and where necessary propose to revise, all relevant policy instruments
- Review includes Renewable Energy Directive – e.g. strengthen RES in H&C, transport, system integration
- Public consultation ongoing



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EU Green Deal: other initiatives

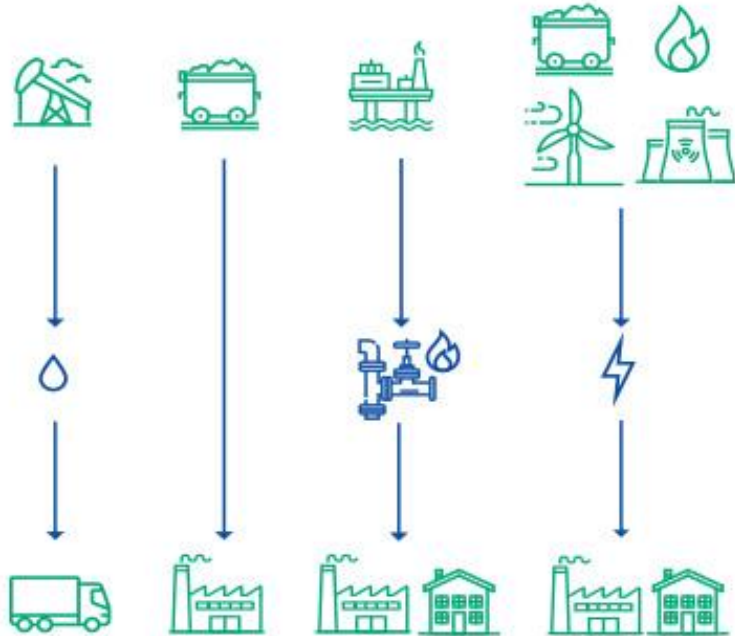
- Energy system integration strategy – plan future energy system, including power system based on RES
- Renovation wave – important for RE heating and cooling, rooftop PV
- Offshore renewable energy strategy
- TEN-E review



System integration: anticipating the energy system of tomorrow

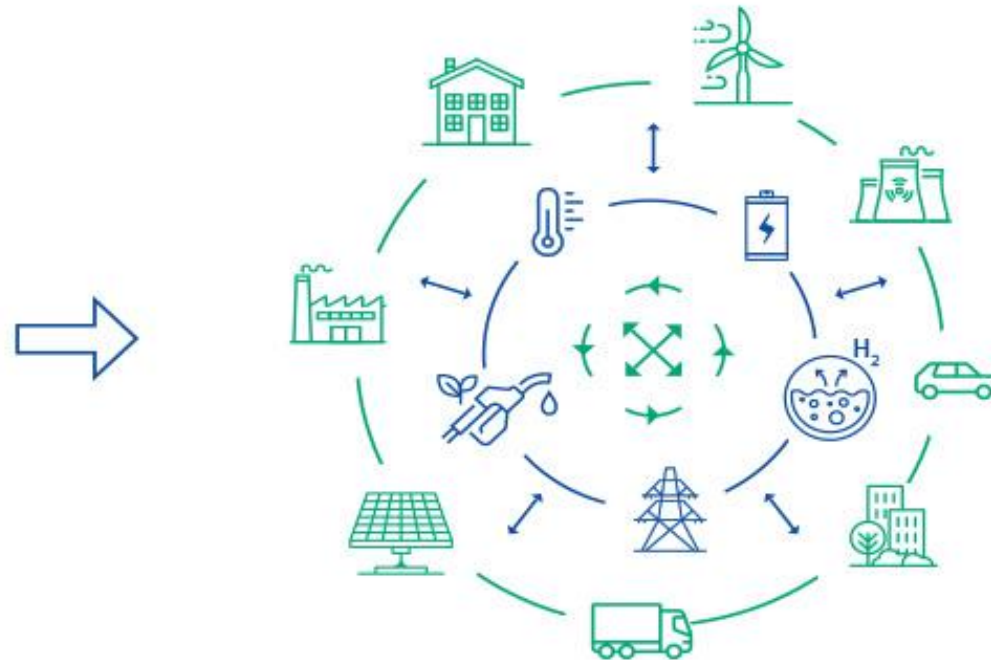
The energy system today :

linear and wasteful flows of energy, in one direction only



Future EU integrated energy system :

energy flows between users and producers, reducing wasted resources and money



2. Update on recovery

Short-term impact of Covid-19

- Reduced electricity demand and low wholesale prices are affecting balance sheets of utilities and energy companies
- European solar and wind markets down by 20 and 33% this year, due to supply chain disruptions, project delays and stricter financing conditions.
- Small-scale rooftop market has the highest negative impacts.
- Industry faces market uncertainties and liquidity concerns.
- Record low electricity prices also impacted corporate PPAs and renewable electricity projects based on wholesale markets prices

Short-term impact of Covid-19

- Delayed upcoming renewables project pipeline in EU.
- Governments delayed auctions or extend deadlines.
- Most utility-scale wind and solar projects are going ahead, with delays.
- However, with low prices, record year for RES: Germany 48% RES-E in first 3/4 of 2020, Spain 43%
- Running power systems with very high shares of RES is already possible

EU Recovery package

- The EU agreed on a 750bn EUR recovery package, on top of 1000bn EUR 7-year budget.
- 30% reserved for fighting climate change.
- Recovery and Resilience Facility: loans and grants to support reforms and investments
- Stimulate the EU economy away from recession and steer it to sustainability and carbon neutrality.
- Member States submitting their draft recovery plans for Commission assessment

EU Recovery package

- Both short term emergency measures (liquidity, reallocation of EU Funds) and recovery plans will be tools for supporting the energy transition.
- Flagship initiative POWER Up: aims to support almost 40% of the 500GW of additional RES generation needed by 2030, , support the instalment of 6 GW of electrolyser capacity and the production and transportation of 1 million tonnes of renewable hydrogen across the EU by 2025
- Other initiatives include buildings renovation, mobility



Thank you

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