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Commission



# CLEAN ENERGY FOR ALL EUROPEANS

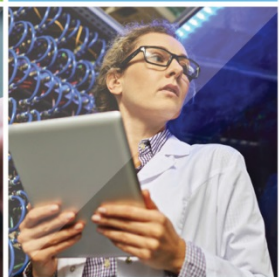
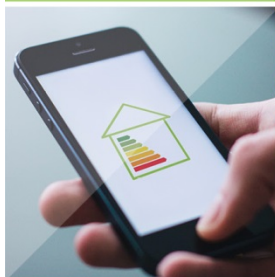
## New Renewable Energy Directive and Governance

**Matthieu Ballu**  
**DG ENER**





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# CLEAN ENERGY FOR ALL EUROPEANS

## 1. The revised Renewable Energy Directive



## THE REVISED RENEWABLES DIRECTIVE – KEY OBJECTIVES



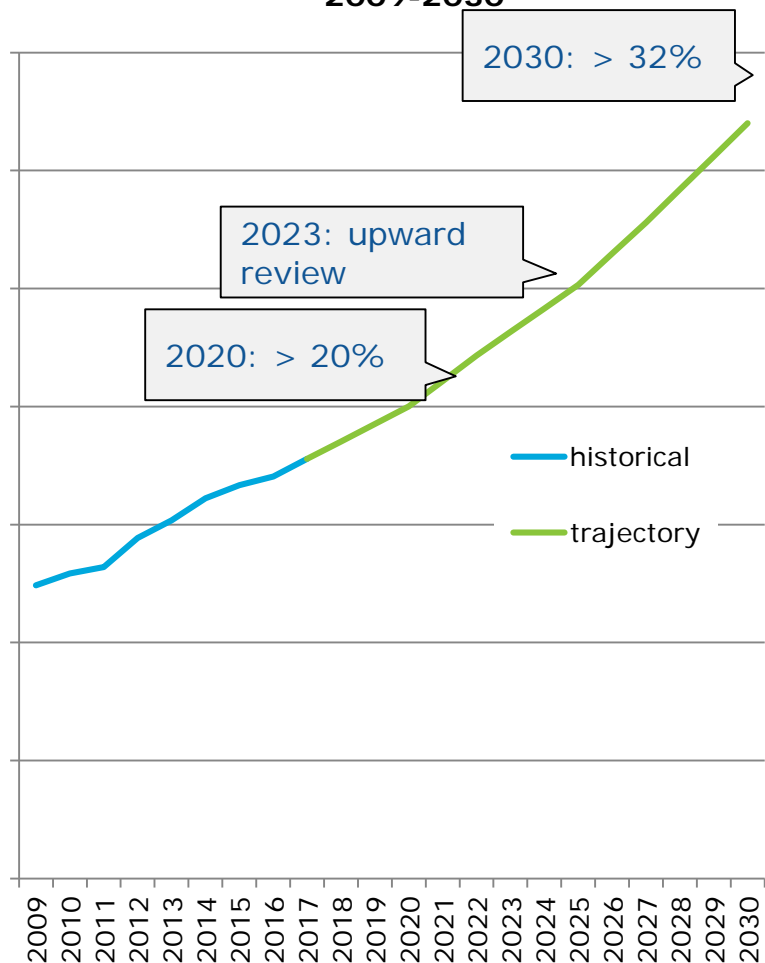
Contributing to the EU political priority of **world leadership in renewables**

&

**Achieving the at least 32 %** EU-level binding renewables target cost-effectively

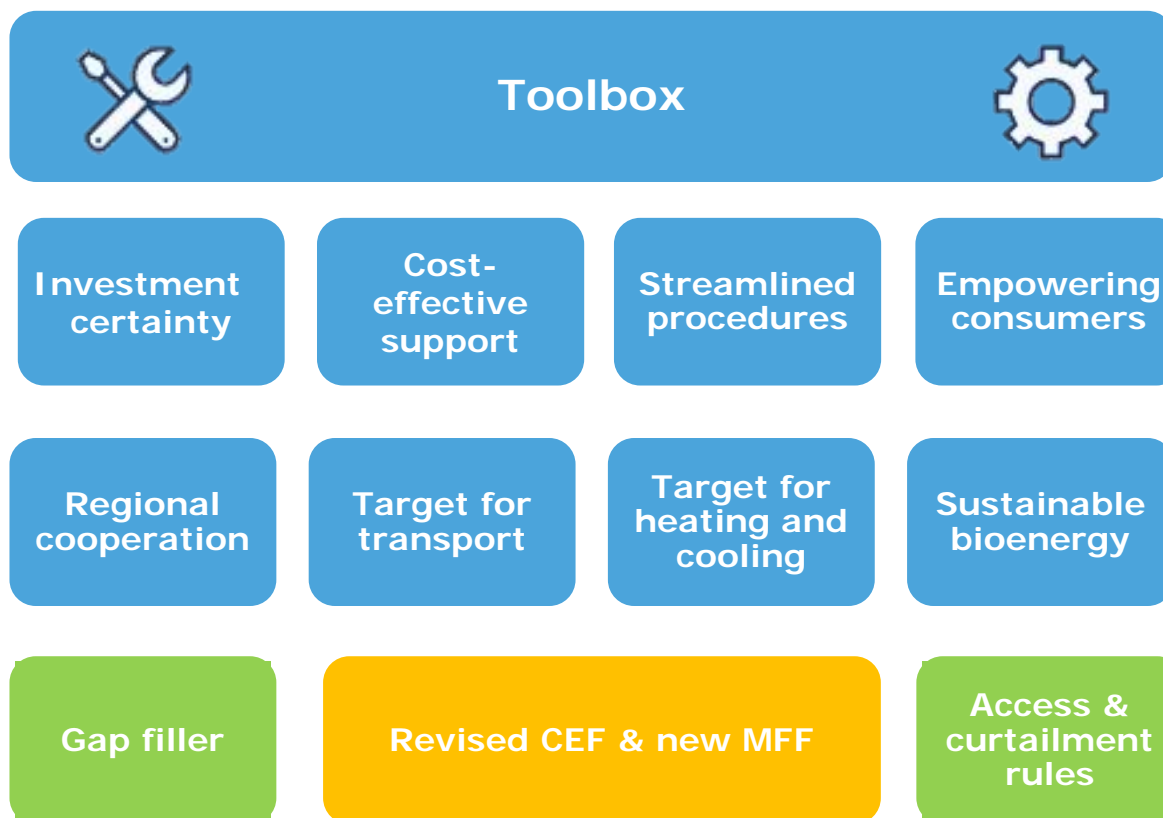
## A NEW EUROPEAN APPROACH TO RENEWABLES

EU renewable energy share  
2009-2030

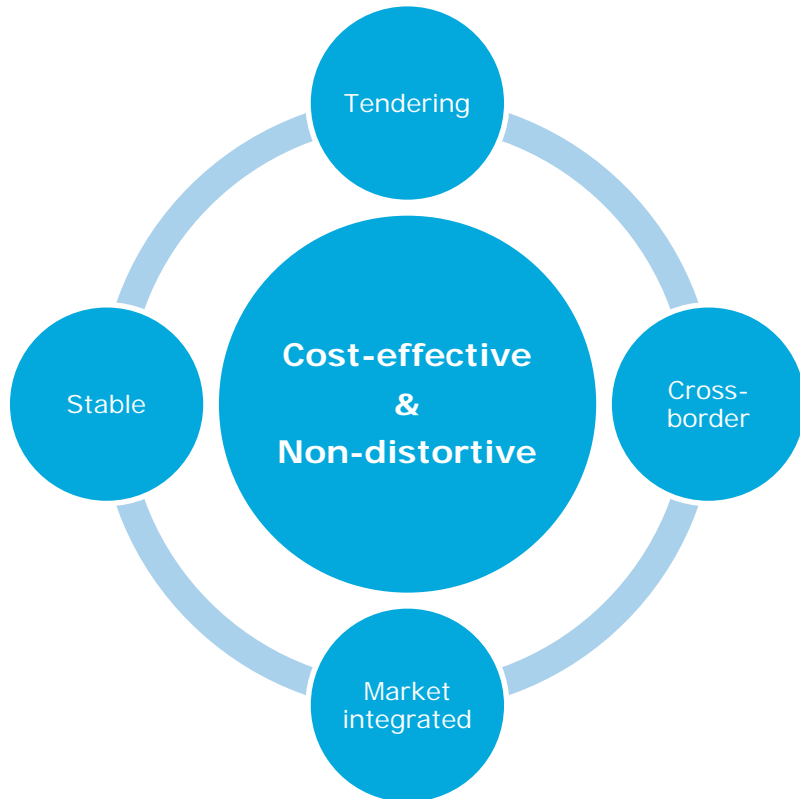


- **Binding EU-target of at least 32%** (upward review in 2023)
- Underpinned by **national contributions**
- **Formula** to assess contributions (in case of ambition gap)
- **Collective responsibility** of target achievement
- **Joint measures** (EU financial platform)

## A SET OF WELL-BALANCED MEASURES TO GET TO AT LEAST 32%



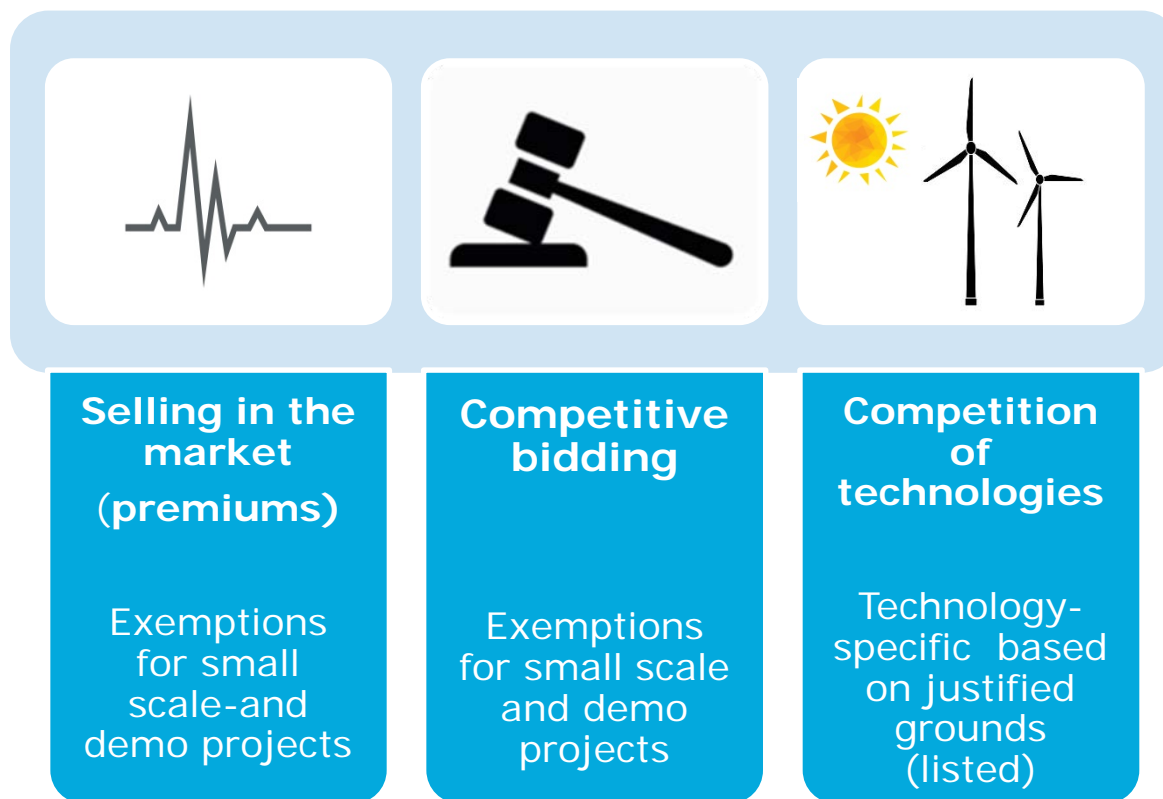
## MAKING SUPPORT SCHEMES MORE COST-EFFECTIVE



### "Getting best value for money"

- ~320 GW of net additional RES-E needed to reach 32%
- Support needs to be cost-efficient and non-distortive
- New design principles will foster:
  - More competition
  - More market integration
  - More coherence across MS

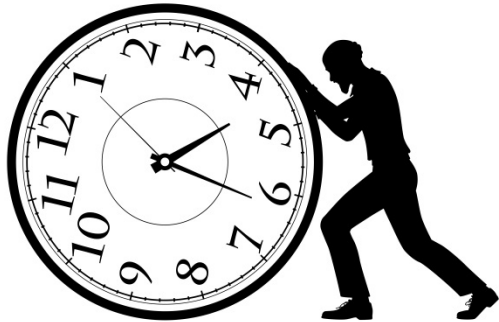
## INCREASING COMPETITION AND MARKET INTEGRATION OF RES-E



Without prejudice to individual state aid procedures (case-by-case assessment)

## INCREASING STABILITY AND PREDICTABILITY

Don't turn back time!



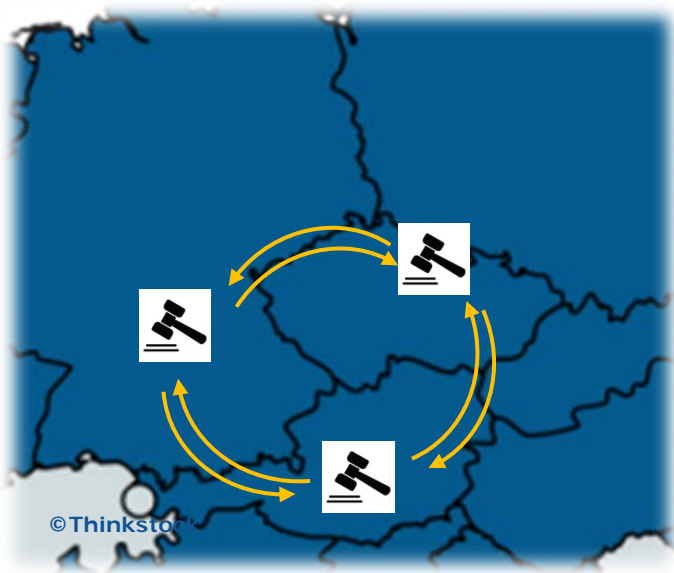
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Abrupt and "retroactive" changes are toxic for RES investments and ...make them more expensive

- Specific provision to **avoid "retroactive" changes** to support
- Revisions **may not compromise the economic viability** of supported projects
- Need to **publish long-term schedules** for support schemes



## EUROPEANIZING SUPPORT: MAKE THE MOST OF OUR POTENTIAL

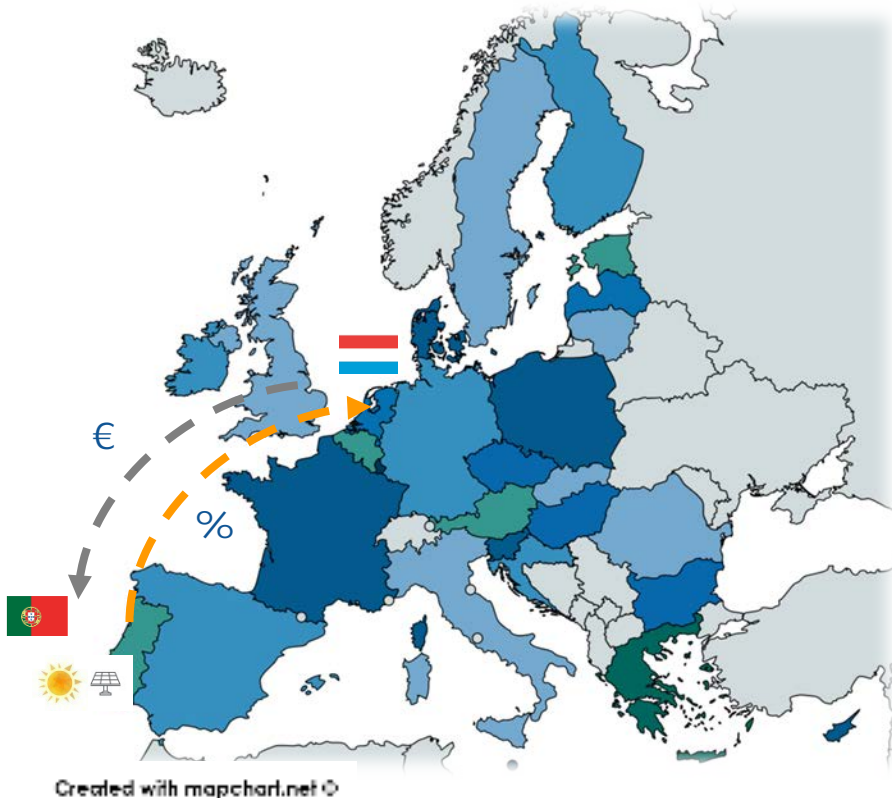


Cross-border auction - opened to neighbouring countries

**Cross-border cooperation to reduce support costs and fosters alignment of support**

- **Opening is encouraged**, but remains voluntary (indicative shares: 5% 2023-2026; 10% 2027-2030)
- **Review clause for 2023** to reassess a mandatory opening (of 5% by 2025 and 10% by 2030)

## STRENGTHENING THE TOOLBOX FOR COOPERATION



- **Cooperation Mechanisms** are **maintained** and **strengthened** (→ statistical transfers, joint projects and joint support schemes)
- **New EU trading platform for statistical transfers**
- CEF window for cross-border renewables projects (MFF proposal)

## ACCELERATING ADMINISTRATIVE PROCEDURES

*Putting an end to this...*



- **Single contact point** for permit applicants
- **Clear time limits** for procedures:
  - Two years\*
- Swift procedure for **repowering**:
  - One year\*
- **Simple notification procedures for small installations** (up to 10.8 kW)

\* One year extension under extraordinary circumstances

## TOWARDS A DECENTRALISED ENERGY SYSTEM



- REDII will **empower citizens** and local actors to be active in the energy transition
- Objectives:
  - **mobilise private capital**
  - **increase local acceptance**
- For the first time, a **definition** and a new **legal regime** for **self-consumption** and for **renewable energy communities**
- **Facilitate uptake of long-term power purchase agreements (PPAs)**

## EMPOWERING ENERGY CONSUMERS: SELF-CONSUMPTION

**Consumers entitled to become self-consumers**, including multi-apartment blocks

- **No discrimination or disproportionate charges**
- Electricity **behind the meter not be charged. Exemptions:**
  - Installations larger than 30 kWp
  - Risk of financial instability of the system (after December 2026)
  - Electricity that benefits from support schemes
- **Remuneration** when feeding into the grid
- Self-consumers **active in the market:**
  - Power Purchase Agreements
  - Peer-to-peer trading
  - Other possibilities of MDI (demand response)
- **Enabling framework** by the end of 2019



## EMPOWERING ENERGY CONSUMERS: RENEWABLE ENERGY COMMUNITIES



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Entitled to generate, sell and store renewable energy

- **Definition** for the first time in EU legislation
- Increased **participation** of citizens in the energy transition
- Communities can directly reap the **environmental, economic and social benefits** of renewable energy
- Any final energy customer can become member (while maintaining all rights and obligations)
- **Enabling framework** by the end of 2019

## EMPOWERING ENERGY CONSUMERS: FOSTERING LONG TERM RES PPAs\*



- Help secure RES investments and reduce deployment costs
- MS to facilitate uptake of RES PPAs:
  - Assessing **administrative and regulatory barriers**
  - **No disproportionate procedures and charges**
  - **Policies and measures in NECP**

\* Renewables Power Purchase Agreements (RES PPA) - direct contract with an energy generator towards the purchase of renewable electricity (eg: Corporate PPAs)

## INFORMING CONSUMERS ABOUT THE ORIGIN OF THEIR ENERGY

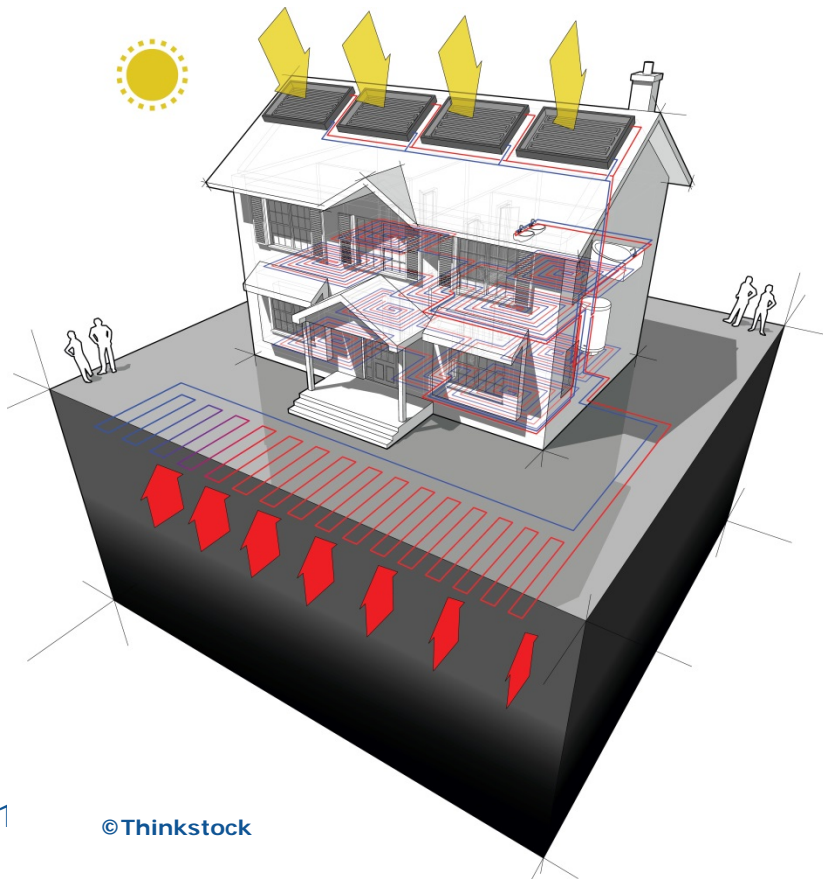


- Guarantees of Origin (GOs) for **all types of RES**
- GOs shall be used as **proof of renewable electricity** on consumer bills
- Commission to assess establishment of a **EU-wide labelling system** for the promotion of RES from new installations
- **Market value of GOs** to be taken into account in RES support schemes



## ADDRESSING THE UNTAPPED POTENTIAL OF HEATING & COOLING

- Target to **increase** renewables in heating and cooling by **1.3 percent point per year** (2020-2030):

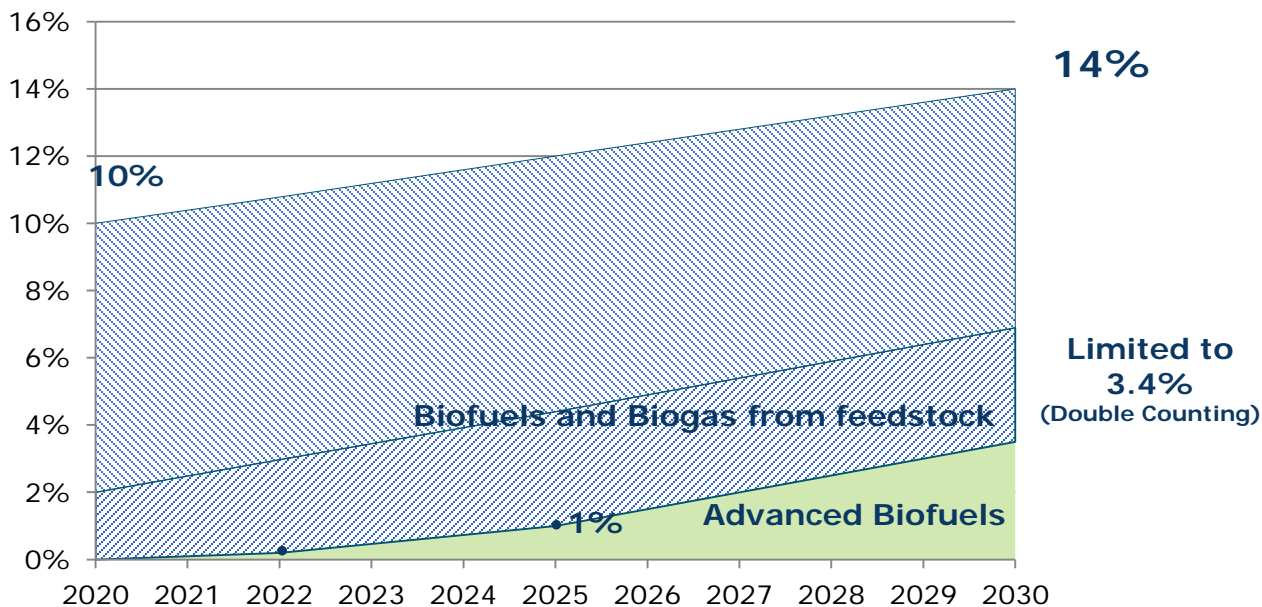


- **Flexibilities:** high RES MS, high natural gas or cooling shares, dispersed settlement structures, 40% allowance for waste heat/cold
- **Illustrative** list of **measures** leaving flexibility for Member States and accessibility

### District heating and cooling

- **1 ppt increase** in renewables and waste heat/cold
- **Third Party Access** for suppliers of renewables and waste heat/cold
- **Right to disconnect** from inefficient networks for consumers
- **Right to be informed** for consumers on renewables share and energy performance

# MAINSTREAMING RENEWABLE ENERGY IN TRANSPORT



## Multipliers

- Car: x4
- Train: x1.5
- Ship: x1.2
- Airplane: x1.2
- Fuel (with leaf): x2

- **Conventional** biofuels, bioliquids and biomass from food and feed crops frozen around 2020 levels
- **High ILUC risk** biofuels first frozen, and then gradually reduced towards 0% by 2030

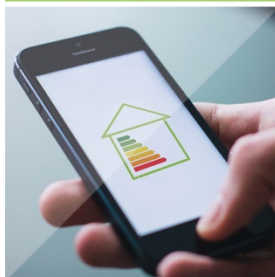
## ENSURING BIOENERGY SUSTAINABILITY

- Reinforced **EU bioenergy sustainability criteria**:
  - *Enhanced **synergies with the circular economy** (e.g. waste hierarchy principles)*
  - *EU criteria extended to cover **biomass for heat/cooling and power***
  - *New risk-based criteria for **forest biomass** (ensuring sustainable harvesting & proper LULUCF accounting)*
  - *Higher **GHG emission saving targets***
- New energy efficiency criteria for **large-scale biopower**
- Enhanced EU and national **verification of the implementation** of the sustainability criteria
- Full **EU harmonization for biofuels**, partial harmonization for biomass in heat & power





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# CLEAN ENERGY FOR ALL EUROPEANS

## 2. Governance of the Energy Union



# 1. PURPOSE AND SCOPE OF THE PROPOSAL

## A ROBUST GOVERNANCE TO MEET 4 OBJECTIVES



**Meet Energy Union objectives (notably the 2030 targets)**



**Ensure Better Regulation and reduce administrative burden**



**Allow for investor certainty and predictability**



**Synchronise planning and reporting cycles with Paris Agreement**

## 2. GOVERNANCE PROCESS – How does it work ?

### MAIN ELEMENTS OF THE ENERGY UNION GOVERNANCE

**National Integrated Energy and Climate Plans  
(2021 to 2030)**

(preparation well before 2020)

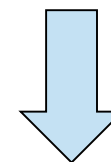
**Integrated national progress reports**

(from 2023, every two years)

**European Commission monitoring**

(State of the Energy Union)

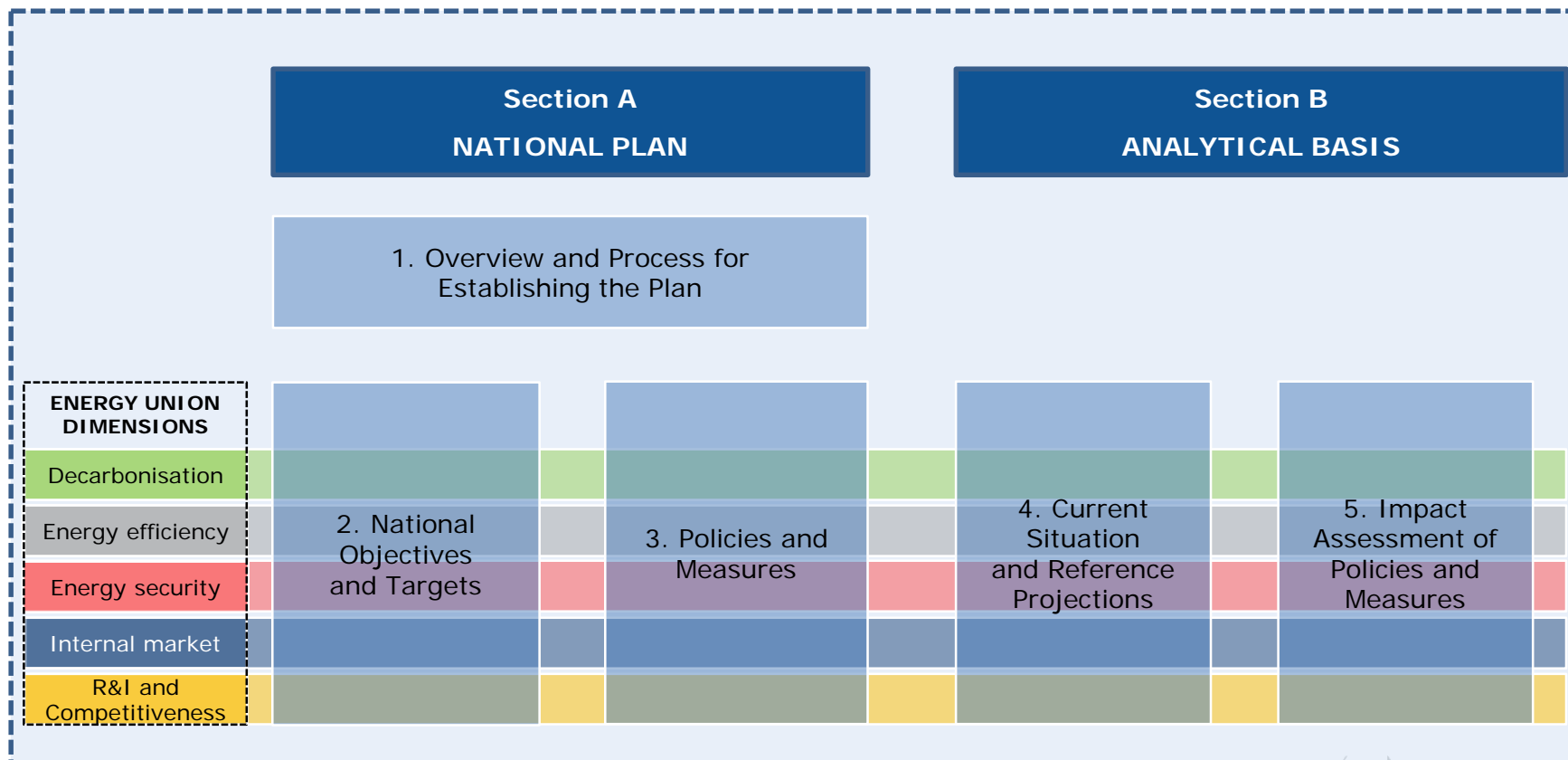
Streamlining:



**1 Plan  
1 Report  
1 Monitoring**

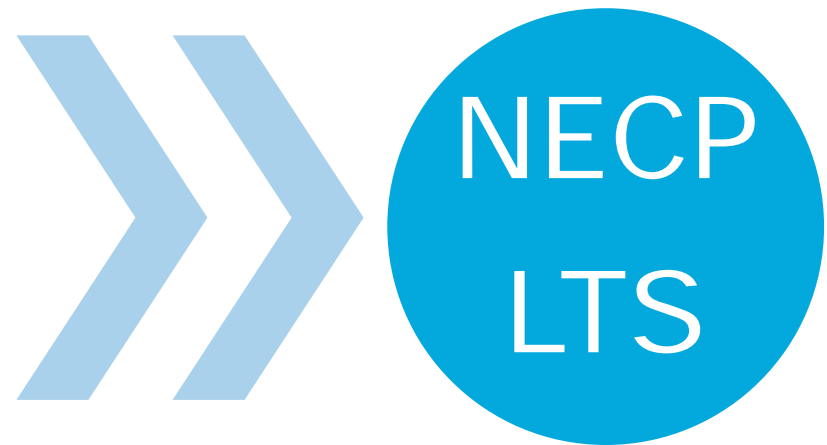
# 3. INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS (NECP)

## NECP - BINDING TEMPLATE AND 10 YEAR PLANNING CYCLE



### 3. PREPARATION

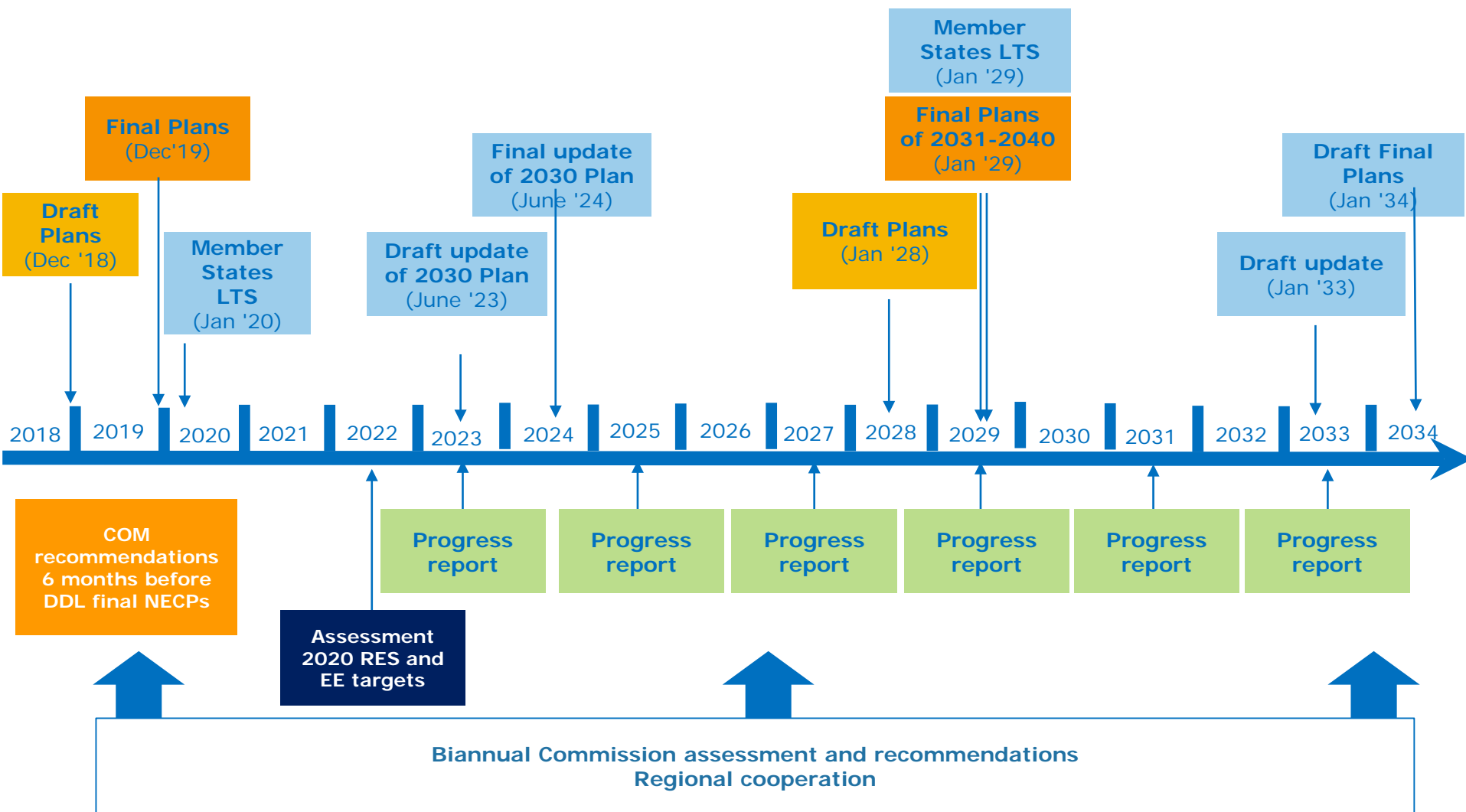
#### PUBLIC CONSULTATION AND REGIONAL COOPERATION



- Public to be given early and effective opportunities to participate in the preparation of the NECP as well as the LTS
- Multilevel climate and energy dialogue
- MS to identify opportunities for regional cooperation and consult neighbouring Member States
- MS shall consult neighbouring countries. MS can consult third countries that have expressed an interest



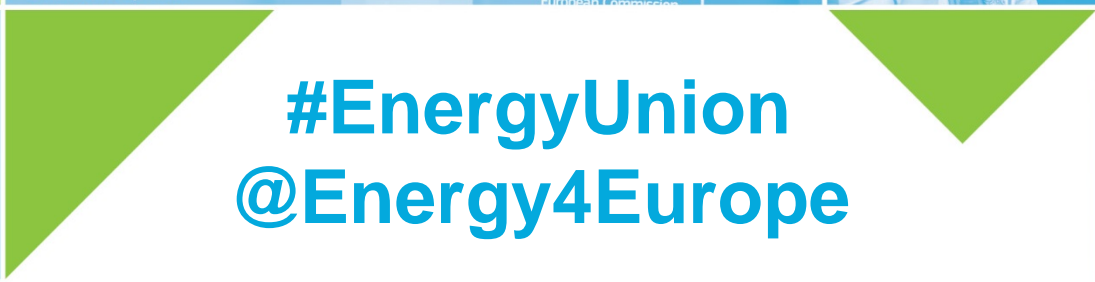
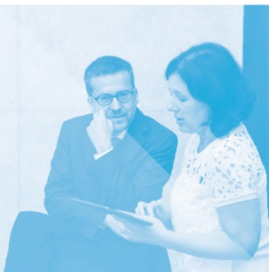
## 4. TIMELINE AND NEXT STEPS



## 5. DRAFT NECPs

BEING ASSESSED BY THE COMMISSION

<https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/governance-energy-union/national-energy-climate-plans>



**THANK YOU!**

