

5th meeting of the Renewable Energy Coordination Group

Vienna, 22 March 2018

The meeting was opened and chaired by RECG Chairman by Mr. Milos Banjac and Mr. Robert Portelli on behalf of European Commission, DG ENER. The members adopted the draft agenda of the 5th RECG meeting.

1. Meeting the 2020 RES targets and beyond

The RE CG took note of the status of meeting the interim objectives on renewable energy until 2020 and what lies ahead to 2030 presented by the Secretariat. In the light of renewable energy cost reduction in the last years, most notably for solar and wind technologies, the Contracting Parties are urged to review the technology objectives included their NREAPs that are questionable to contribute to 2020 targets. This measure will open the possibility to achieve the 2020 targets in a cost-effective way.

The Secretariat updated the participants on the status of setting the Energy and Climate objectives to 2030 for the Energy Community with a view to reach an agreement at the next meeting of the Ministerial Council in October 2018. The energy and climate objectives to 2030 will be defined in convergence with the EU targets, nevertheless, taken into account the specificities of the Energy Community.

2. Renewable Energy 2030 and what lies ahead for the Energy Community

RECG thanked DG ENER for the presentation of the recast Renewable Energy Directive and the proposed renewable energy policy objectives to be achieved by 2030. This translates to at least 27% renewable energy share, binding at EU level to be achieved cost-effectively, with no national or specific sectoral targets.

The draft Directive aims at enabling a more stable framework for electricity from renewable sources allowing no retroactive changes to the support and increasing visibility for the investors with a three year cycle. It also includes requirements to reform the support scheme to become market-responsive and cost-effective and to gradual open the support schemes to cross-border participation in compliance with the State Aid Guidelines and internal market principles. It also strengthens the communities and empowers the citizens to become active participants in the energy transition.

The draft document, part of the *Smart and Clean Energy for All* package is in process of final agreement between European Parliament and Council. The final decision and the approval of the new Renewable Energy Directive are envisaged to be reached by mid 2018.

3. Renewable energy global trends and implementation of the South East Europe Initiative

RECG took note of IRENA presentation on renewable energy global trends outlining the cost decline mostly for solar and wind and the investments level on renewable energy reached worldwide. In full alignment with CESEC activities, IRENA presented the implementation status of the South East Europe Initiative in which there are plans on resource assessment for the region combined with a long-term planning for renewable energy deployment, an evaluation of socio-economic benefits of development of renewable energy and its contribution to increase the affordability during the energy transition. All Contracting Parties are invited to cooperate with IRENA and contribute with updated energy data to enable a reliable and accurate assessment.

4. Policy Guidelines on Competitive Selection and Support for Renewable Energy

RECG welcomed the joint work of EBRD, Energy Community Secretariat and IRENA on finalization of the *Policy Guidelines on Competitive Selection and Support for Renewable Energy*.

The Contracting Parties are invited to review their legal and regulatory frameworks to comply with the requirements of the State Aid Guidelines. The introduction of competitive process for granting the support will enable a cost-effective development of renewable energy compatible with the principles of the internal market.

5. Policy Guidelines on Grid Integration of Prosumers

RECG welcome the work of ECDSO-E Group and the presentation of the results of the study conducted for the Energy Community on assessing the European legal and regulatory best practices in addressing electricity self-consumption which is triggered by deployment of small-scale renewable energy installations, most notably by the households and SMEs. The outcomes were included as policy recommendations transposed in the *Policy Guidelines on Grid Integration of Prosumer* and available on Energy Community website.

RECG thanked E-Control that presented as a case study, the regulatory framework for self-consumption in Austria, a model that could be considered by the Contracting Parties when designing their rules.

The Contracting Parties were invited to work closely with the energy regulators and fiscal authorities to remove the barriers for self-consumption uptake, enabling citizen's participation in the energy transition.

6. Renewable energy objectives for the Contracting Parties 2018-2019

RECG took note of the Contracting Parties planned measures during 2018-2019 to review their renewable energy technology objectives included in the NREAP. The Contracting Parties are invited to implement the relevant measures to ensure that the 2020 renewable energy targets will be met. As the energy demand in the Contracting Parties continues to increase with the economic development typical for emergent economies, any demand incremental shall rely on renewable energy in order to reach energy and climate objectives on the long-run.

Serbia and Ukraine are urged to conduct biomass consumption surveys, the results to be included in the official energy statistics in order to create an accurate and reliable baseline data for the energy demand forecast and climate objectives to 2030.

The Contracting Parties were reminded about the requirement to submit the 3rd Progress Report on the promotion of energy from renewable sources by the end of 2018.

7. Technical assistance to Contracting Parties - IFIs and Donor's support

RECG welcome the commitment of Donor organizations and IFIs to continue and increase further their efforts and technical assistance via regional programmes to enable an increase uptake of renewable energy in the Contracting Parties of the Energy Community. The review of the legal and regulatory framework transitioning from a feed-in tariff approach to a competitive process to grant the support must ensure the projects are bankable and enable a cost-effective development of renewable energy.

8. Renewable Energy in Heating

RECG welcome the presentation on the UNDP-GEF project “*Reducing Barriers to Accelerate the Development of the Biomass Market in Serbia*”, the results of which will contribute to a limited extend to the renewable energy target in electricity and heating sectors, increase efficient use of biomass and GHG emission reduction. The project key challenges related to biomass supply risks, financial mechanisms, or lack of experience with energy performance contracting provide lessons learnt for the policy makers, financial institutions and developers from all Contracting Parties. This need to be addressed further to ensure the technology objectives are met while tapping the significant biomass potential in region.

9. Renewable Energy in Transport

RECG took note of the Secretariat’s warning about the severe delay in adoption of sustainability criteria and implementation of a sustainability scheme and appointment of a verification body for biofuels and bioliquids in all Contracting Parties. As highlighted in presentation of the recast of Renewable Energy Directive 2020-2030, the biofuels and bioliquids will continue to contribute to the renewable energy targets in transport to 2030. The most advance draft of primary legislation as an integrated document addressing the sustainability criteria and quota obligations on market participants in Ukraine was presented as a case study.

The Contracting Parties are urged to adopt the draft legislation on sustainability criteria or to finalise the drafts for approval, with outmost priority.

The meeting documents and presentations are available at:

<https://www.energy-community.org/events/2018/03/RES-CG.html>