

Energy Community Parliamentary Plenum

Joint Report on Strengthening the Promotion of Energy from Renewable Sources in the Energy Community

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The Energy Community Parliamentary Plenum,

- having regard to the Treaty establishing the Energy Community;
 - having regard to Ministerial Council Decision 2012/03/MC-EnC that incorporated Directive 2009/28/EC on the promotion of the use of energy from renewable sources into the Energy Community legal framework;
 - having regard to the Guidelines on State Aid for Environmental Protection and Energy 2014-2020 as applicable in the Energy Community;
 - having regard to Directive 2012/27/EU on energy efficiency;
 - having regard to the Paris Agreement on climate change;
 - having regard to the Energy Community Secretariat's 2017/8 Annual Implementation Report on the Contracting Parties' progress in transposition and implementation of the acquis;
 - having regard to the Second Progress Report on the Promotion of the Use of Energy from Renewable Sources in the Energy Community;
 - having regard to the Policy Guidelines on Competitive Selection and Support for Renewable Energy, prepared jointly by the European Bank for Reconstruction and Development and the Energy Community Secretariat;
 - having regard to the Energy Community Secretariat's Policy Guidelines on Reform of the Support Schemes for Promotion of Energy from Renewable Sources;
 - having regard to the Proposal for a Regulation of the European Parliament and of the Council on the Governance of the Energy Union, which foresees integrated national energy and climate plans;
 - having regard to the "Clean Energy for All Europeans" Package and in particular the Proposal for a Directive on the promotion of the use of energy from renewable sources (recast) and the Proposal for a Regulation on the Governance of the Energy Union, which foresees integrated national energy and climate plans;
- A. whereas the Contracting Parties have made progress to reach the 2020 targets for renewables, further promotion of the need for increased use of renewable energy sources and intensified actions in the Energy Community Contracting Parties are required;
- B. whereas it is recognised that EU Member States and the Energy Community Contracting Parties are free to determine the structure of their energy mix and to promote the type of energy from renewable sources of their choice;

- C. whereas EU Member States and the Energy Community Contracting Parties are committed to the Paris Agreement on climate change with the goal to keep global temperature rise this century below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius;
- D. whereas continued investment in renewable energy sources requires both ambitious public and private support, commitment and a long-term, stable and reliable policy framework consistent with the Energy Community Contracting Parties' climate commitments arising from the Paris Agreement;
- E. whereas the development of a well-functioning regional electricity market in the Energy Community Contracting Parties is a pre-requisite for the increased uptake of renewables;
- F. whereas the increase of the use of energy from renewable sources, promotion and uptake of energy efficiency saving measures as well as clean technologies are an efficient solution for fighting climate change and delivering better services for consumers;
- G. whereas the development of renewable energy can help to ensure energy security by reducing import dependence, fostering economic development and contributing to innovation and growth, eliminating energy poverty by creating sustainable jobs and gaining access to affordable and clean energy for all consumers in the Contracting Parties of the Energy Community;
- H. whereas the use of renewable energy sources could help to reduce primary energy consumption, contribute to the transformation of the energy sector towards a sustainable, environmentally friendly system with energy efficiency, savings and renewable energy at its core;
- I. whereas the best means of safeguarding regional electricity supply is full implementation of the renewables acquis, exchanging best practices on the efficient use of renewable energy sources and modern technologies within regional initiatives and adequate integration of renewables into the energy infrastructure;
- J. whereas the Energy Community adopts every two years a list of Projects of Energy Community Interest/Projects of Mutual Interest to improve energy connectivity between the Energy Community Contracting Parties and also with EU Member States, which plays a key role in contributing to renewables integration and ensuring affordable energy prices for consumers;
- K. whereas a cost-efficient deployment of renewable energy sources across the Contracting Parties, better utilisation of existing cross-border interconnection points and development of

new ones contribute to market integration within the Energy Community, inefficient cross-border cooperation and interconnection continue to prevent deeper market integration within the Contracting Parties as well as with the European Union;

- L. whereas public participation, monitoring and supervision, clear and simple policy rules and support at local, regional and national level and the engagement of all relevant stakeholders, including the social partners (bringing together representatives of trade unions and industry), municipalities and other civil society organisations, are key and need to be strengthened further for the successful development of renewable energy in the Energy Community Contracting Parties;

Herewith:

1. Welcomes the progress that the Energy Community Contracting Parties have made towards reaching their 2020 binding targets for renewable energy; four Contracting Parties of the Energy Community are on track to meet their 2020 renewable energy targets out of which two have already met the 2020 renewable energy targets, whilst four Energy Community Contracting Parties are below the trajectory;
2. Stresses the need to fully transpose and implement the Renewables Directive into the national legislation frameworks of all Energy Community Contracting Parties and underlines that each Energy Community Contracting Party shall submit on a bi-annual basis a progress report in order to enable early action in case of falling behind the trajectory to 2020;
3. Notes that the binding targets under the Energy Community Treaty are the key driver for renewable energy policies and investments in many Contracting Parties;
4. Underlines the need to tackle ongoing barriers to the greater uptake of renewables in the Energy Community, such as lengthy, not clearly defined and communicated administrative procedures, lack of coordination between different administrative levels, agencies and institutions and slow progress in facilitating and improving the integration of electricity from renewables into the grids;
5. Recognizes the importance of supporting the deployment of renewable energy sources and their integration into the national, local and regional energy markets; and increasing transparency towards potential investors regarding connection and access to the grids;

6. Underlines that no country can successfully integrate renewable energy sources without exchanging best practices and without cooperation between the Energy Community Contracting Parties as well as between Contracting Parties and EU Member States;
7. Calls on the Secretariat of the Energy Community, as an independent, neutral and expert body, to intensify its efforts to support the Contracting Parties using all available tools under the Energy Community Treaty in the effective implementation of the legislation on environmental impact assessment and strategic environmental assessment to ensure that the construction of renewable energy generation facilities, including small hydro power plants, is done in line with the environmental legislation and the acquis;
8. Notes that in order to obtain an energy model that supports the uptake of energy from renewable sources, there is a need to encourage strategic cooperation between the Energy Community Contracting Parties, involving, as appropriate, regions and local authorities;
9. Considering the future role of independent power producers and community energy, calls on the Contracting Parties to develop effective strategies, including an enabling legal framework on cooperatives and community power, empowering citizens to take an active part in renewable energy projects and driving the transition to a low-carbon energy system;
10. Expresses the need to trigger the development of comprehensive policies in the electricity, heating and cooling and transport sectors of all Energy Community Contracting Parties;
11. Highlights the need to support policy measures to promote the use of energy from renewable sources in the heating and cooling sector in the most cost-effective and sustainable way as only very little or no progress has been achieved in this area in the majority of the Contracting Parties;
12. Underlines the need to support policy measures that promote the use of biofuels in transport compliant with sustainability criteria by adopting the necessary national legislation transposing the requirements of the Renewables Directive in order to reach at least 10% of the final consumption of energy in transport in 2020;
13. Expresses concerns that without increasing public and private support and promoting the use of renewables in transport, the Energy Community Contracting Parties will not reach the 2020 target of 10% of the final consumption of energy in transport, as all of the Contracting Parties are well below the set target;
14. Notes that the utilization and cost-efficient deployment of renewable energy sources decreases the dependency on imported fossil fuels, diversifies the countries' energy portfolios and contributes to the security of energy supply;
15. Invites the Contracting Parties to actively work towards the creation of the regulatory and technical preconditions to boost the production of energy from small-scale installations, self-consumption and renewable energy communities in a financially sustainable way;

16. Underlines that renewable energy sources, taking into account the readiness of the Contracting Parties and the maturity of their electricity markets, require a stable revenue stream that should be allocated for large-scale projects via a competitive, market-based approach to ensure cost-effective deployment of renewables for the benefit of end-customers and contribute to higher renewables integration, while continuing with more simple forms of support for small-scale installations, self-consumption and renewable energy communities;
17. Underlines that the transition to renewables can only be supported by Energy Community citizens if it is cost-efficient; and recognizes the importance of moving from tariff and quantitative based support mechanisms to allocating support based on more competitive, market-based principles, while taking into account country-specific conditions;
18. Recommends to introduce auction-based procedures for granting support to producers in order to facilitate the integration of renewable energy into the electricity market in the most cost-effective way;
19. Notes the higher cost of capital for renewable energy investors in the Energy Community compared to most EU Member States and calls upon the European Commission to put in place a de-risking guarantee scheme to be financed via the budget of the European Union in the first instance in order to improve the financial conditions for renewables investors in the Energy Community;
20. Stresses the need to support the development of projects of Energy Community Interest and Projects of Mutual Interest in order to contribute to increasing the market liquidity within the Energy Community and deeper market integration within the Contracting Parties and also with the European Union;
21. Calls for the incorporation of the new and recast Directive on the promotion of the use of energy from renewable sources into the Energy Community legal framework without delay after its adaptation to the specific situation of each Contracting Party, following its adoption in the European Union as early action is necessary to maintain investor confidence in the upcoming period;
22. Underlines that the Energy Community shall not get left behind in the clean energy transition and calls on the Energy Community Ministerial Council to make headway on adopting 2030 targets on renewables, energy efficiency and greenhouse gas emission reduction;
23. Instructs the Energy Community Secretariat to forward this report to the Energy Community Ministerial Council.