



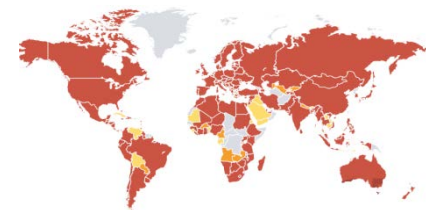
An enhanced renewables framework post-2020

Energy Community RECG
6 November 2018

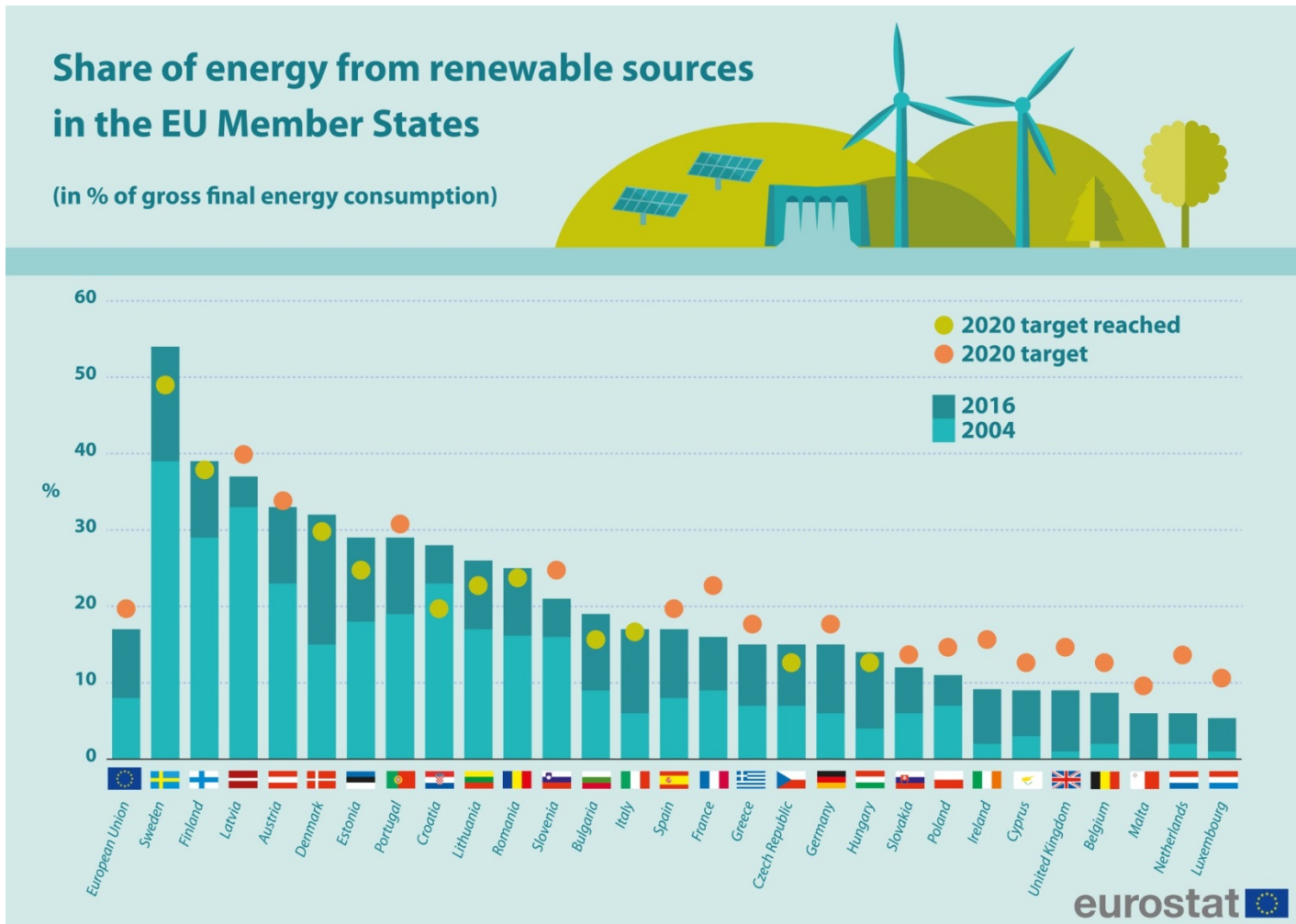


SETTING THE SCENE

- **Falling costs of renewables worldwide**
- **EU first mover** – today, 173 countries have renewable energy targets
- **How to retain leadership?**
 - Explore new areas for competitiveness: integrated systems, offshore, small-scale and decentralized solutions
- **Domestic benefits:**
 - ~ 1.4 million jobs
 - Reduced import dependency
- **Looking ahead:**
 - Increase efforts across sectors
 - Integrate high RES shares
 - Decentralize + empower consumers

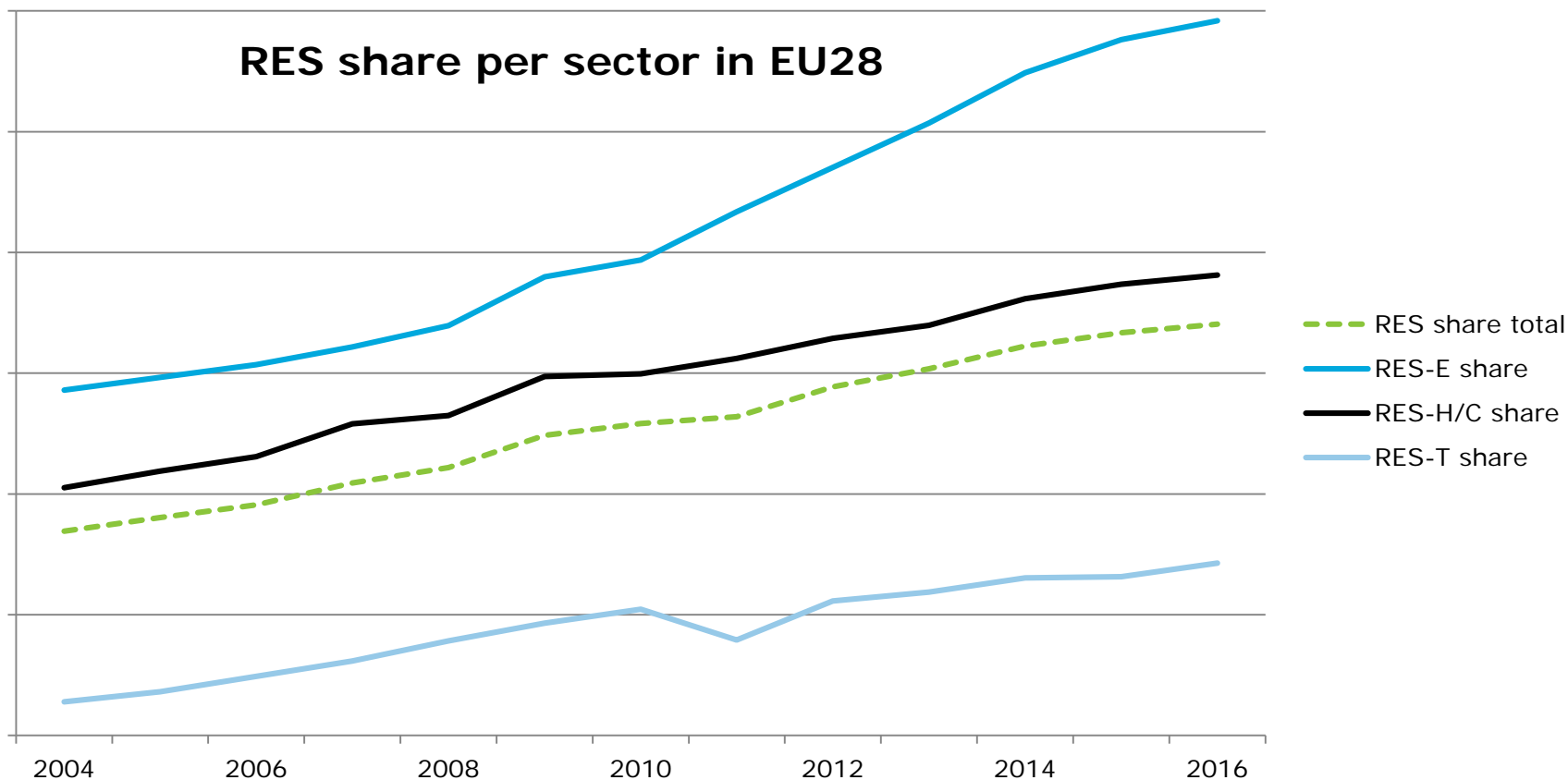


STATE OF PLAY - PROGRESS TOWARDS NATIONAL 2020 TARGETS



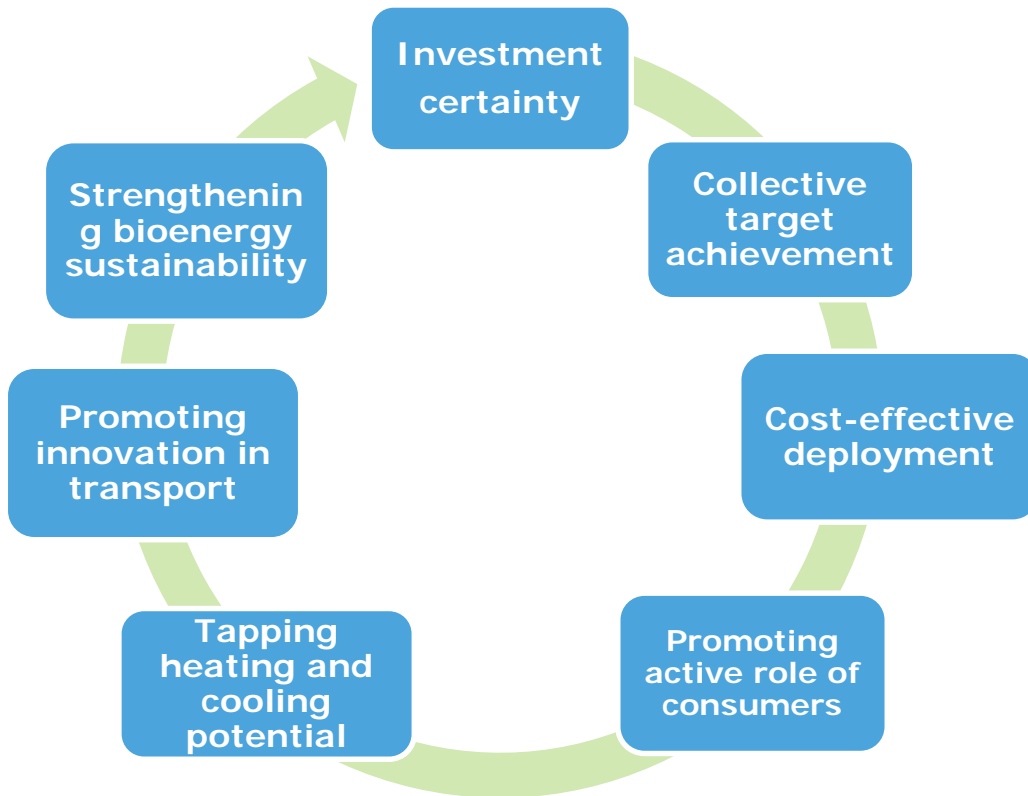
Source: EUROSTAT Shares 2016

STATE OF PLAY - PROGRESS BY SECTORS



Source: EUROSTAT Shares 2016

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

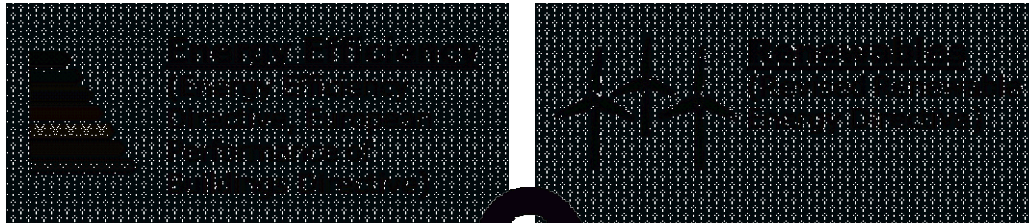
THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

" In essence the new package is about tapping our green growth potential across the board"

Commissioner Miguel Arias Cañete (2016)



Energy Union
Governance

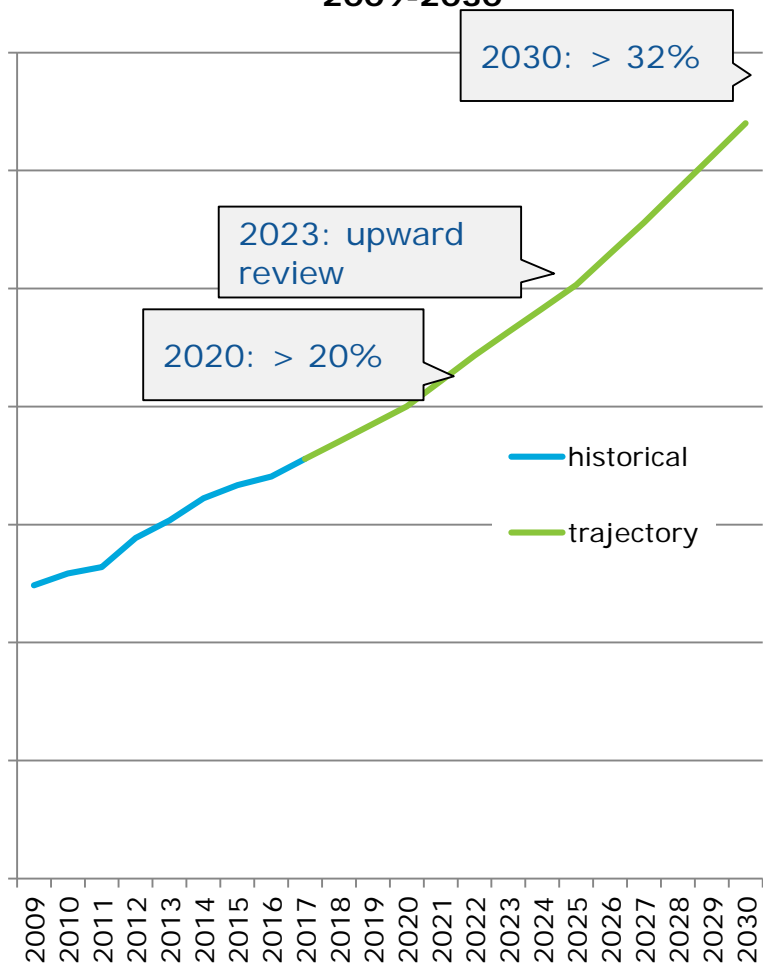


New Electricity Market Design
(including Risk Preparedness)



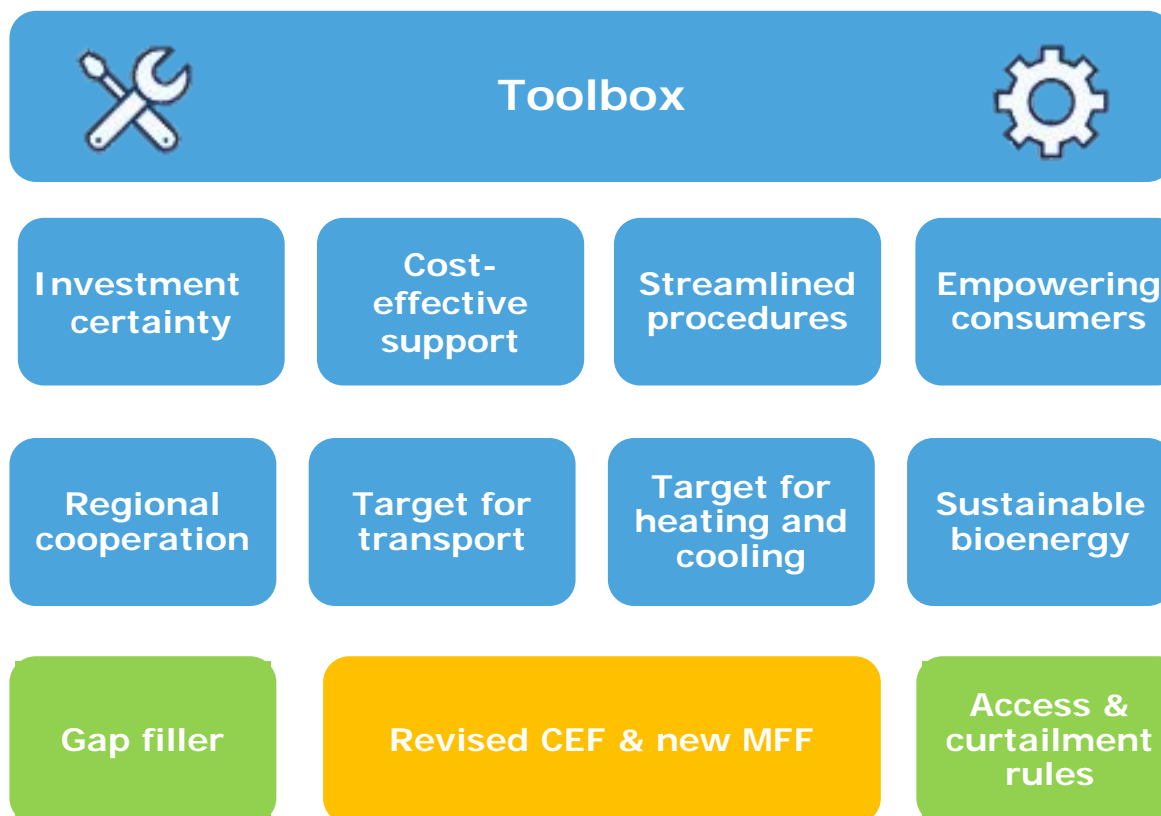
A NEW EUROPEAN APPROACH TO RENEWABLES

EU renewable energy share
2009-2030

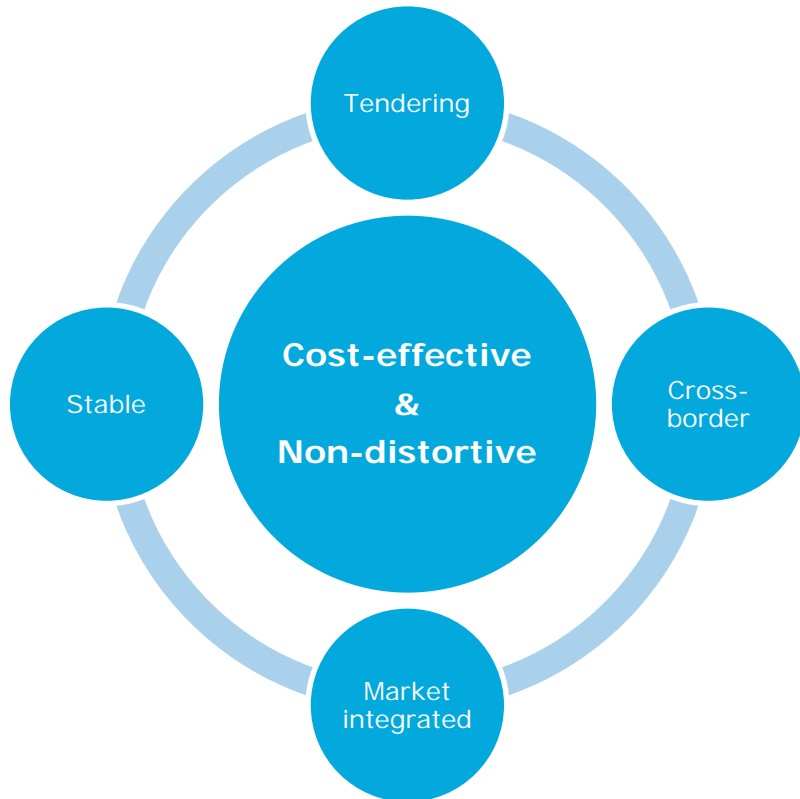


- **Binding EU-target of at least 32%** (upward review in 2023)
- Underpinned by **national contributions**
- **Formula** to assess contributions (in case of ambition gap)
- **Collective responsibility** of target achievement
- **Joint measures** (EU financial platform)

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



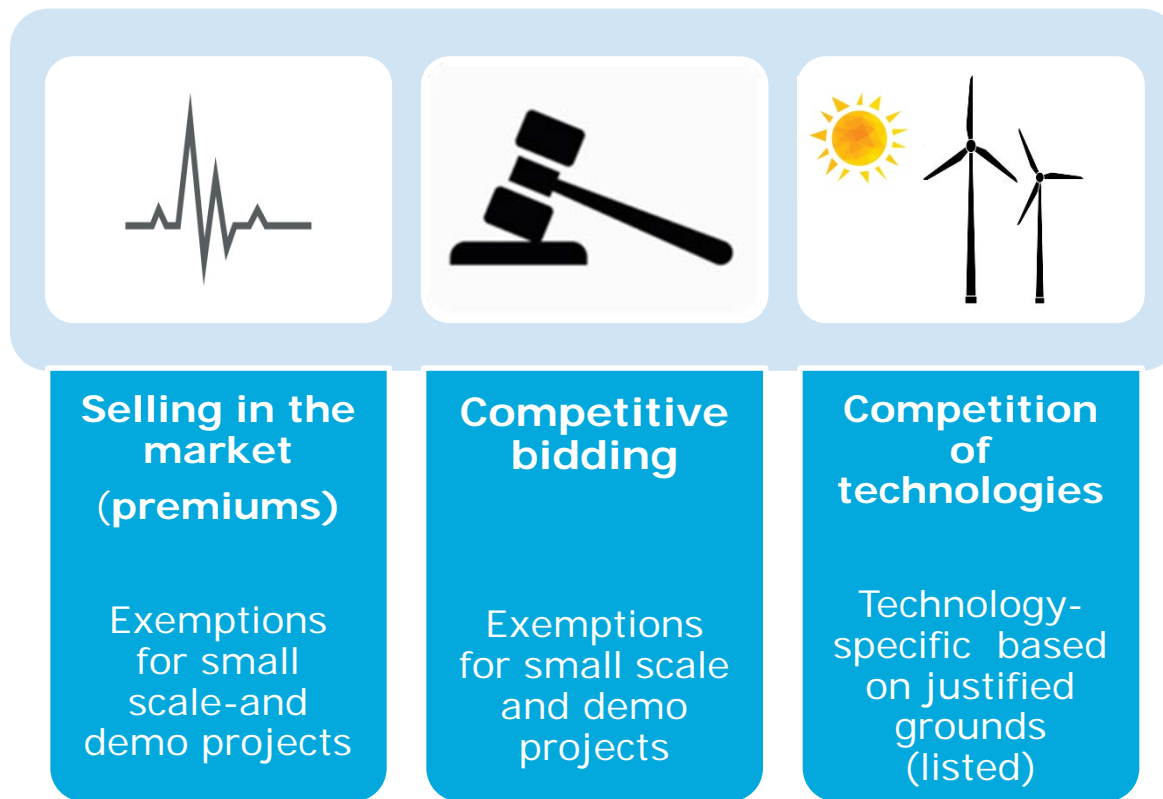
MAKING SUPPORT SCHEMES MORE COST-EFFECTIVE



"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

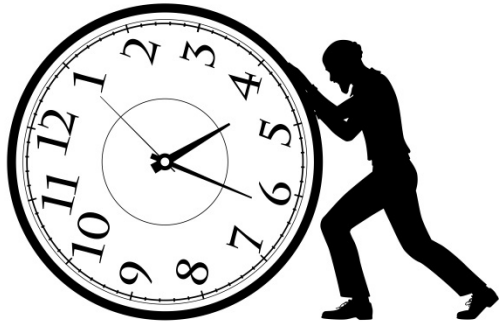
INCREASING COMPETITION AND MARKET INTEGRATION OF RES-E



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

INCREASING STABILITY AND PREDICTABILITY

Don't turn back time!

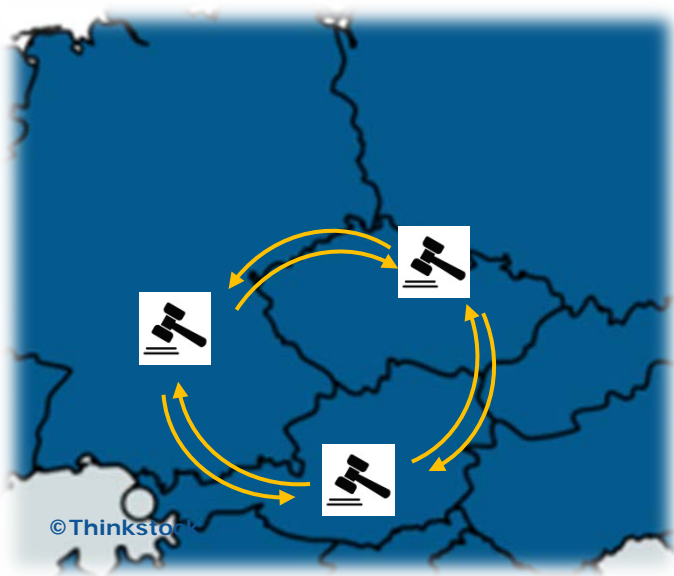


©Thinkstock

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

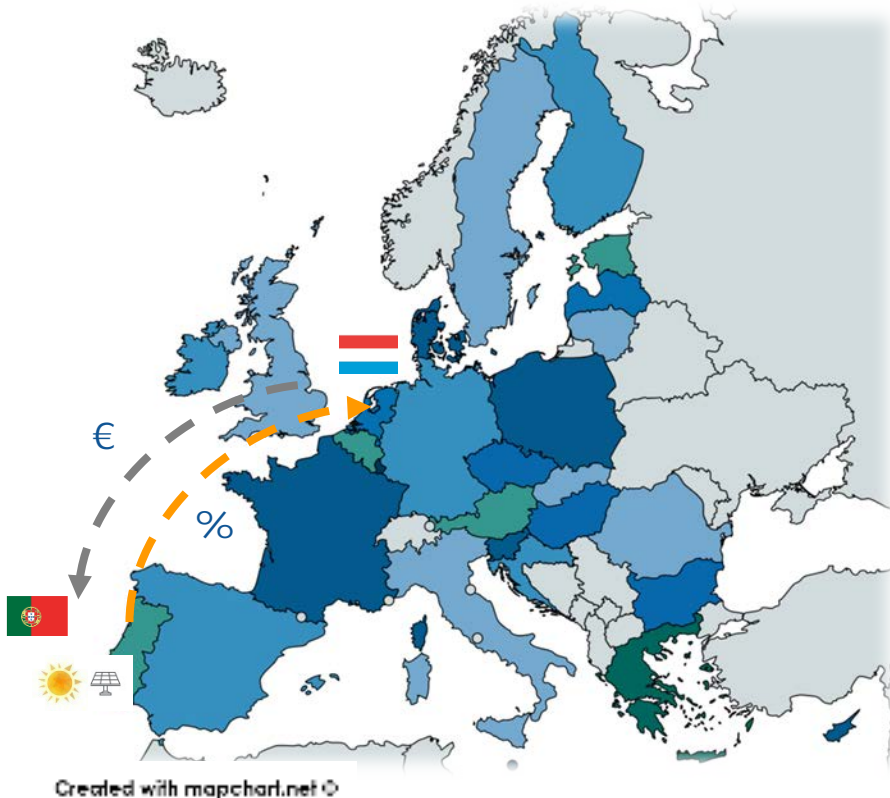


Cross-border auction - opened to neighbouring countries

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)**

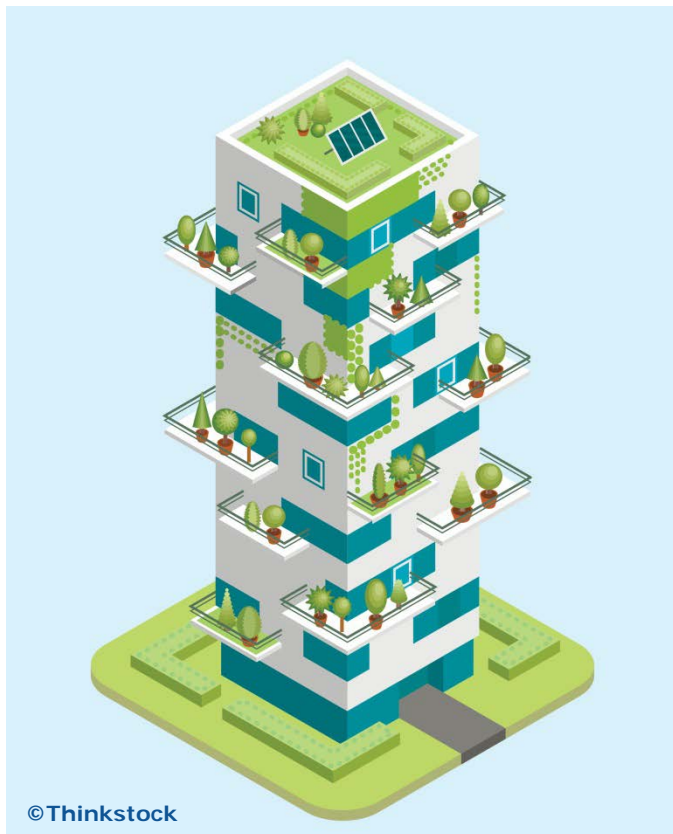
EMPOWERING ENERGY CONSUMERS: SELF-CONSUMPTION

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



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:
 - Assesing **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)

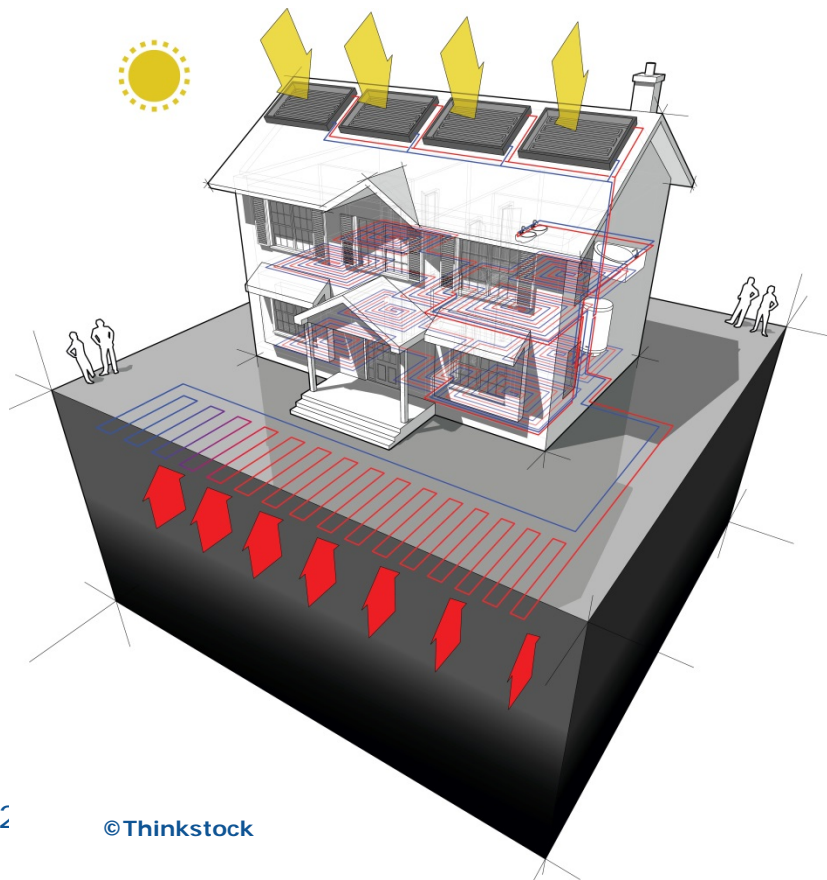
INFORMING CONSUMERS ABOUT THE ORIGIN OF THEIR ENERGY



- 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):

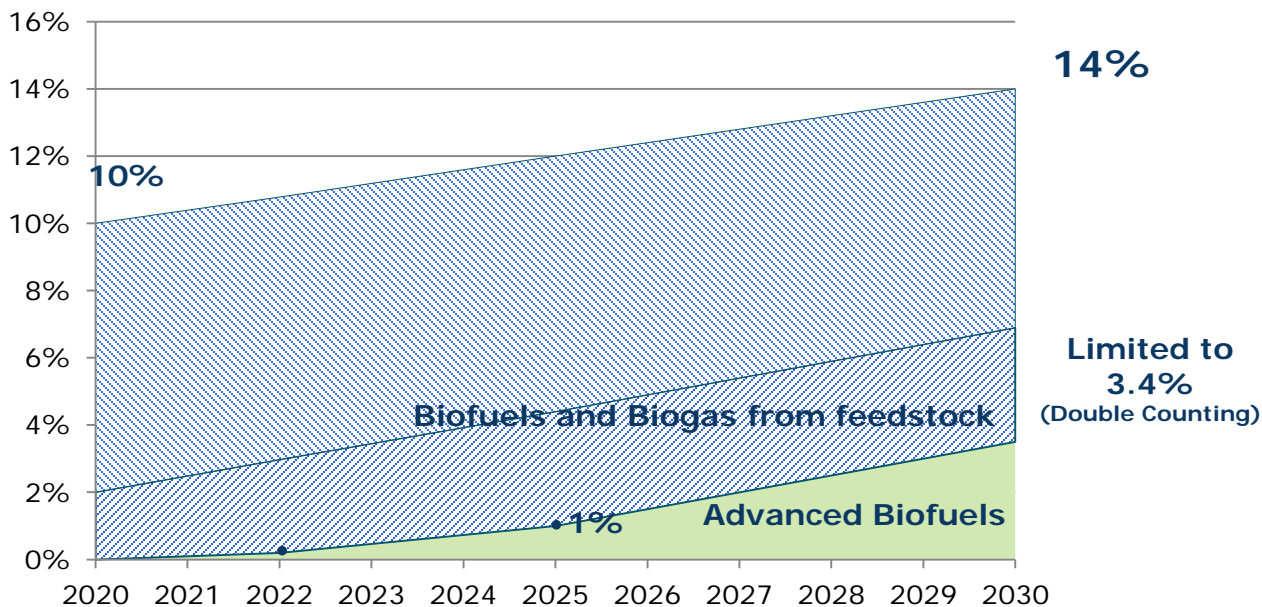


- **Flexibilities:** high RES MS, high natural gas or cooling shares, dispersed settlement structures, 40% allowance for waste heat/cold
- **Illustrative** list of **measures** leaving flexibility for Member States and accessibility

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



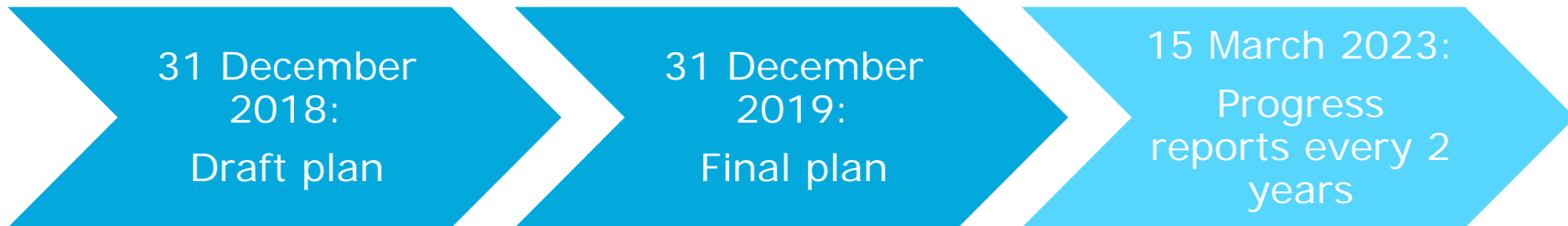
- **Conventional** biofuels, bioliquids and biomass from food and feed crops frozen around 2020 levels
- **High ILUC risk** biofuels first frozen, and then gradually reduced towards 0% by 2030

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

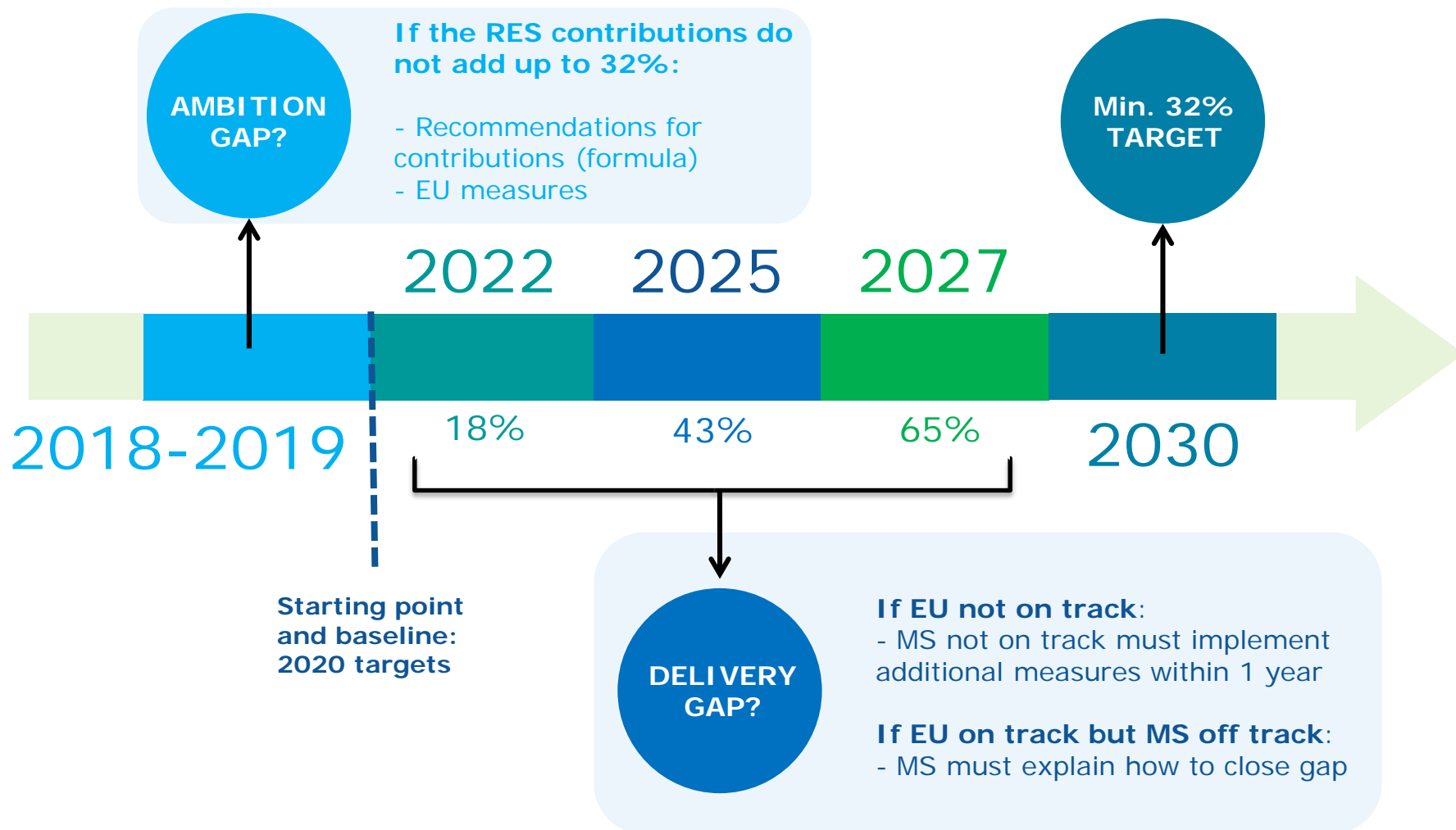


PLANNING AND REPORTING

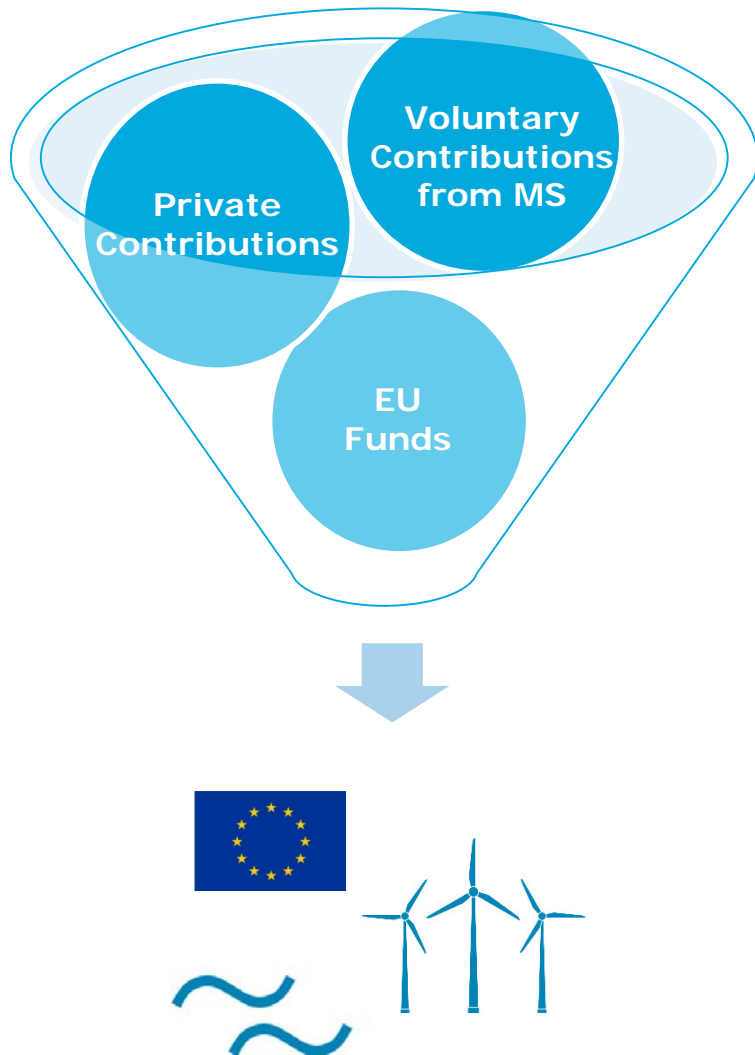


- Planning and reporting obligations on renewables are now integrated in **energy and climate plans and progress reports** (Governance Regulation)
- **Integrated national plans:**
 - **RES Objectives and trajectories** (e.g. overall and sectoral RES trajectories)
 - **Policies and measures** to promote renewables (e.g. in electricity, heating and cooling, transport)
- **Integrated national progress reports:**
 - Assessment of the implementation of the plans
- **Monitoring by the Commission**

ENSURING THE TARGET IS ACHIEVED – GOVERNANCE REGULATION



POOLING CONTRIBUTIONS FOR EUROPEAN PROJECTS



Financing mechanism to tender support for renewable energy projects in the EU to:

- Cover deployment gaps
- Ensure a **cost-effective deployment** in the absence of any gap



EU BUDGET FOR THE FUTURE

**SUPPORT FOR RENEWABLES
UNDER THE NEW MMF**

#EUBudget



ENHANCED FINANCING TOOLBOX TO SUPPORT RENEWABLES



EU Funding Instruments supporting
RES in the next MFF



INCREASED CLIMATE MAINSTREAMING ACROSS EU BUDGET (25%)

Cohesion
Funds

Invest EU

Horizon
Europe

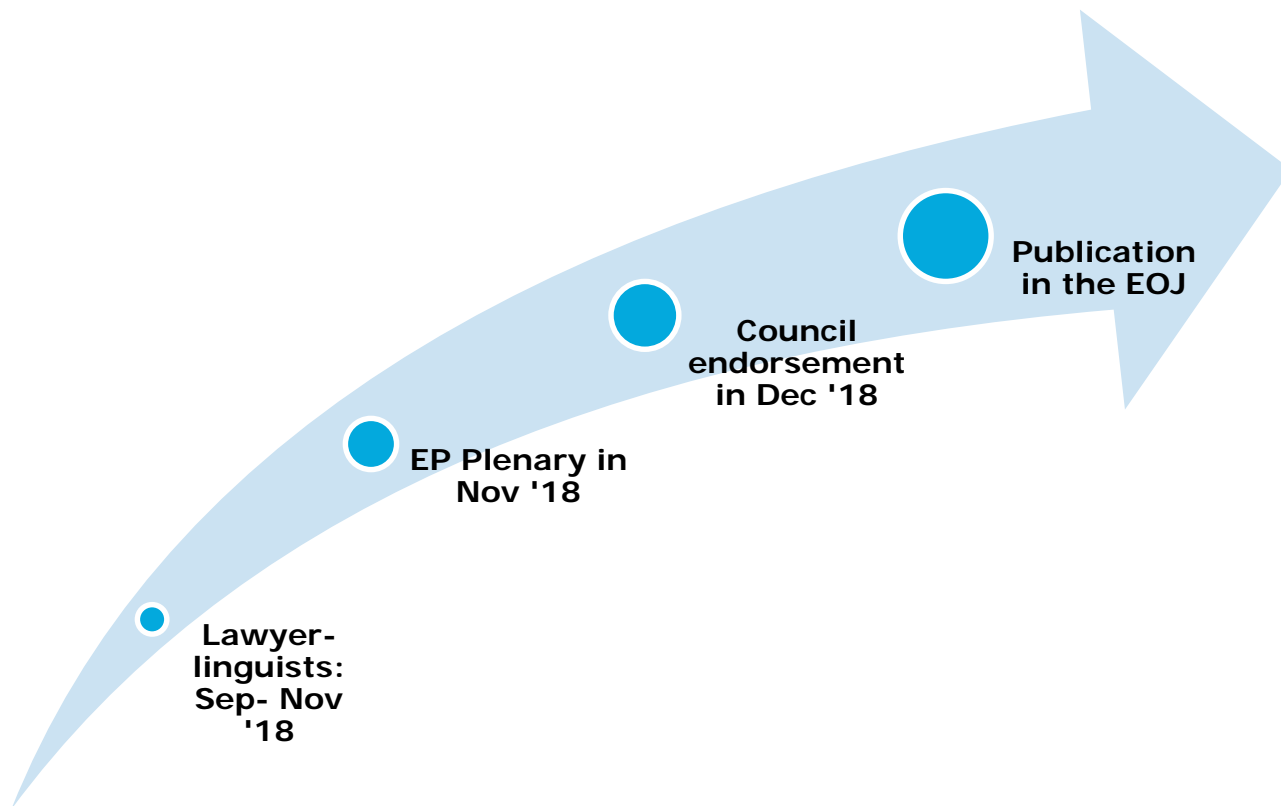
Connecting
Europe
Facility

LIFE
Clean Energy
Transition
Program

Innovation
Fund*

- + Low Carbon Investments kept as priority for Member States under **Cohesion funds** with **higher ring fencing** (30%)
- + **New Invest EU Fund** with a € 11.5 bln Sustainable Infrastructure window to unlock private investment through financial instruments and **tailor made products**
- + **Increased Funds** under **Horizon Europe** for R&I in climate, energy and mobility (€15 bln)
- + **New Window under CEF to support cross border RES Projects (€ 865 mln)**
- + **New Programme** (CEPE) under LIFE for RES & Energy efficiency capacity building and policy implementation
- + **New Innovation Fund** targeting market uptake of innovative RES, CCS and solutions for Energy Intensive Industries (€ 2bln-€12 bln)

NEXT STEPS REDII



Transposition by June 2021

Follow Up: Delegated Acts, Implementing Acts, Reports etc.

**THANKS A LOT FOR YOUR
ATTENTION!**



Back-up slides

EU'S RENEWABLE ENERGY HISTORY

2001

Renewable Electricity Directive

Indicative 22.1% share of renewable **power** in 2010

National **indicative** targets for renewable **electricity**

2009

Renewable Energy Directive - 1

EU-binding target of 20% share of renewable **energy** in 2020

National **binding** targets for renewable **energy** by 2020

2018

Renewable Energy Directive - 2

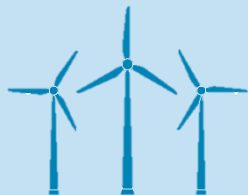
EU- binding target of 32% share of renewable **energy** in 2030

National energy and climate plans with **contribution** in **renewable energy share** to achieve EU- wide target

Indicative formula to assess national contributions

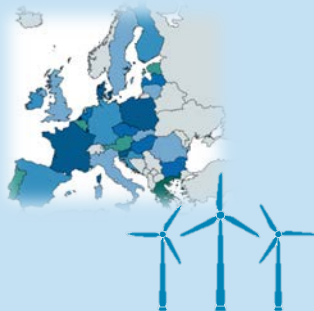
CROSS-BORDER PROJECTS IN THE FIELD OF RENEWABLE ENERGY

WHY?



- New political context for 2030 renewables objectives: EU target and regional cooperation
- 55 % share of RES in EU electricity in 2030
- Cost-effective RES deployment

WHAT?



- Facilitate RES projects under a cooperation agreement between 2 or more MS
- Support uptake of strategic RES technologies

HOW?



- Technical assistance, blending
- Financial support to limited number of projects with clear EU-added value
- As part of synergy projects €