

Meeting the 2030 renewable energy target through a robust governance system

The European renewables industry welcomes the European Commission's February 2015 Energy Union package¹, which sent a positive signal on the need to move away from a fossil-fuel based energy system. To fulfil its long term decarbonisation objectives, set in the 2050 Energy Roadmap, the EU needs to support clean and indigenous renewable energies that provide security of supply and boost economic growth and domestic jobs.

Meeting the binding EU-wide target of at least 27% renewables by 2030² will be a critical contribution to this end. In the absence of post-2020 national renewable binding targets broken down per Member State, a robust and transparent governance system with a strong legal basis will be needed to provide stable regulatory framework and attract investments in renewables by 2030.

The following paper lays out essential building blocks for such a governance system to deliver the 2030 renewable energy target cost-effectively.

1. Founded on a strong legal basis

- The governance regime should be enshrined in legislation and agreed upon in co-decision well ahead of 2020 to provide investor confidence in the post-2020 period.
- For the renewables-related elements, this should be done as part of the post-2020 Renewable Energy Directive planned for 2016-2017.

2. Ensuring concrete Member States' contributions to the EU-wide 27% RES target

- In the absence of binding national targets, the European Commission needs to define 2030 indicative renewable energy benchmarks per Member State which, aggregated, amount to at least 27%. This will provide an early indication of the required contribution per country.
- Member States should set their post-2020 renewable energy pledges and trajectories in their national energy and climate plans considering the indicative benchmarks, and develop the enabling policy frameworks in line with the revised RES Directive.

3. Providing an efficient monitoring and enforcement system

- The governance regime should provide for enhanced oversight by the European Commission allowing an effective coordination of Member States' efforts towards the target of at least 27%. This should enable the Commission to intervene when Member States make counter-productive changes to their regulatory framework such as retroactive changes to support mechanisms.

¹ COM/2015/080 final - COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy

² Council of the European Union, EUCO 169/14, 23-24 October 2014

- If Member States deviate from their trajectories and a gap between the aggregated national commitments and the overall 27% target is identified, the European Commission must be able to propose corrective measures which, unheeded, would trigger infringement procedures.
- The EC should first broker cooperation mechanisms as they can achieve cost-effective fulfilment of the EU-wide target. If they are insufficient to fill the gap, the EC should use existing and new EU funds as trigger mechanisms to incentivise the collective RES engagement.
- Financial support from existing funds (e.g. Modernisation Fund) should be only granted on the condition that Member States comply with their RES pledges and thus give their fair share in achieving the common 27% target.
- An alternative could be the creation of new funds, financed by those Member States whose contribution falls below the indicative benchmarks. Taking into consideration the different maturity levels, specific barriers, and risk profiles of various renewable energy technologies, part of the EU funding could be distributed through EU-wide tender systems granting a long term premium. In addition, other smart financial mechanisms could be developed for small-scale renewable technologies to tap into their future potential.

4. Defining a timely and coherent planning process

- The European Commission should provide a template for the national plans ensuring consistency and comparability among all Member States. The template should build upon existing renewable energy national plans and preserve reporting on trajectories and policy developments per sector, type of renewable energy sources and enabling technologies (for instance CHP, district heating and cooling, and heat pumps).
- A clear timeline needs be defined for the submission of national plans. December 2017 may be an appropriate deadline for submitting a first draft. Taking into account related EU legislation, national plans should be updated by 2020, thereby enabling Member States to develop stable policy frameworks to implement their 2030 renewable energy contributions.

5. Fostering regional cooperation

- In parallel to the definition of national plans and renewable energy contributions, Member States should engage in a dialogue with neighbouring countries to achieve cost-effective renewable energy deployment and public acceptance.
- Regional cooperation should build on a coordinated regional policy planning, joint projects between Member States as well as joint research activities and co-funding for innovative technologies (for example second-wave renewable energy

technologies). Given the overlap between the five Energy Union dimensions, a regional approach should prioritise issues of common relevance namely power system management, spatial planning, and infrastructure development.

6. Ensuring coherence among Member States' policies in the five Energy Union dimensions

- Progress in all of the dimensions of the Energy Union may be measured and compared through a number of key performance indicators. However, a differentiated approach should be applied: whereas a more solid and detailed planning and reporting framework is needed for areas with EU targets, a softer approach may be appropriate for those dimensions without specific targets, such as energy security, and research, innovation, and competitiveness. The final governance system should then result in a dynamic combination of softer and stricter rules.

The Signatories:

