

## RENEWABLE ENERGY STUDIES

### - State of Play and the Next Steps -

#### I. **BACKGROUND**

The implications of the new EU Renewable Energy Directive 2009/28/EC<sup>1</sup> for the Energy Community have been taken into consideration immediately after its adoption by the European Parliament. During 2009 and 2010, considerable effort has been made to assess the impact and to investigate the modalities of a possible inclusion of the new Renewable Energy Directive as part of the Energy Community acquis.

The 5<sup>th</sup> Ministerial Council in December 2008 (Conclusion 5)<sup>2</sup> welcomed the proposal of the European Commission for explicit focus on RES, as well as for setting up of a Renewable Energy Task Force. One of the agreed steps in this relation was the consideration of consultancy on renewables in the Energy Community context.

Thus, the current report outlines key elements of the studies, launched in this aspect.

#### II. **STUDY ON THE IMPLEMENTATION OF THE NEW RENEWABLE ENERGY DIRECTIVE IN THE ENERGY COMMUNITY**

The *Study on the Implementation of the New Renewable Energy Directive in the Energy Community* has been contracted in April 2009 and has been completed in June 2010.

The Study (performed by the consortium composed of IPA Energy and Water Economics (UK) and EPU-NTUA (Greece)<sup>3</sup> calculated the indicative 2020 RES targets based on the methodology described within the Directive 2009/28/EC. The relevant outcomes are, as follows:

- Review of the existing renewable energy frameworks in the Contracting Parties and candidate Contracting Parties – policy, legal, regulatory and institutional arrangements design to support the development of renewable energy – in order to assess what further measures would be necessary to meet the requirements of the new EU Directive 2009/28/EC
- Calculation of an indicative renewable energy target for each Contracting Party and candidate Contracting Parties based on the methodology within EU Directive;
- Assessment of some potential costs and opportunities that might arise as a result if the Energy Community adopts the new EU Directive 2009/28/EC.

The main intended outcome of the Study was to serve as a basis to reach the agreement on the binding 2020 RES targets for the Contracting Parties of the Energy Community. However, the lack of reliable biomass consumption data and different biomass consumption measurement methods across the region

<sup>1</sup> Directive 2009/28/EC on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC

<sup>2</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:140:0016:0062:EN:PDF>

<sup>3</sup> <http://www.energy-community.org/pls/portal/docs/296197.PDF>

<sup>3</sup> <http://www.energy-community.org/pls/portal/docs/644177.PDF>

delayed the adoption of a Decision on the implementation of entire Directive 2009/28/EC in the Energy Community at the Ministerial Council.

Nevertheless, to take stock on the momentum and to start tackle some practical issues, on 24 September 2010, the 7th Ministerial Council adopted Recommendation<sup>4</sup> No.2010/01/MC-EnC to implement several relevant provisions of the new EU Renewable Energy Directive 2009/28/EC in the Contracting Parties. The Ministers have also agreed on the extension of the RES TF mandate until the end of 2011, as proposed by the Secretariat.

### **III. BIOMASS STUDY**

Based on the agreement reached between PHLG and RES TF<sup>5</sup> in May 2010, the 17<sup>th</sup> PHLG meeting on 29 June 2010 has requested the Secretariat (conclusion 7)<sup>6</sup> to launch a new study on biomass consumption in the Contracting Parties and Ukraine (having the status of Observer at that time) based on surveys to serve as a basis for the calculation of reliable 2020 RES targets.

Upon consultation with the European Commission and Renewable Energy Task Force members, the Secretariat launched the study on Biomass Consumption for Energy Purposes in the Energy Community in September 2010.

The Centre for Renewable Energy Sources and Savings (CRES) from Greece has been contracted on 25 November 2010 and is expected to report the final results to the Renewable Energy Task Force by mid May 2011. In accordance with the ongoing contract it is planned that the study is to be completely finalized by mid July 2011. Final results will be reported at the next meeting of the PHLG in June 2011.

The objective of the Study is to determine the biomass consumption for electricity, heating and cooling in 2009 and 2010 based on representative and consistent consumption surveys and to report on the share of energy produced from biomass in the gross final consumption of energy in the Contracting Parties and Ukraine, following the finalisation of the negotiations for accession to the Energy Community in 2009 (Beneficiaries of the Study).

The resulting report will contribute to the calculation of the 2020 RES target of each Contracting Party and Ukraine according to the methodology used for EU Member States that constitutes the one of the main aspect of Directive 2009/28/EC.

The calculation of revised 2020 RES targets is not included in the scope of work of the Biomass Study and the intention is to contract the previous consultant IPA Energy and Water Economics that has developed the economic model, to revised the calculation with new biomass consumption data and new values of gross final energy consumption, accordingly.

CRES, the consultant for the Biomass Study submitted the Inception Report in January 2011 and it has started the preparation for the biomass surveys.

On 15 March 2010, the consultant will report to the RE TF members the progress with the study, the key outstanding issues and the next steps. An Interim Progress Report is due to be submitted by 15 March 2011.

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<sup>4</sup> <http://www.energy-community.org/pls/portal/docs/724189.PDF>

<sup>5</sup> <http://www.energy-community.org/pls/portal/docs/648179.PDF>

<sup>6</sup> <http://www.energy-community.org/pls/portal/docs/676177.PDF>

#### **IV. NEXT STEPS**

The Biomass Study requires a strong cooperation of Beneficiaries representatives from the Energy Ministries – in their capacity as PHLG and Renewable Energy Task Force members - and the institutions responsible for energy statistics, with CRES, the Consultant for the Biomass Study. Data collection and validation checks of outcomes are requested throughout the main phases of the Biomass Study and timely finalisation will significantly depend on the good communication and involvement of the relevant institutions of the Contracting Parties. The Consultant was invited to report any shortcomings in the communication with the relevant institution and the Secretariat already express its willingness to act to remedy immediately the communication issues if raised.

CRES will present the progress with the Study in the Interim Report which is due by 15 March 2011 and it will be circulated to the RE TF members for comments.

The biomass consumption data for 2010, 2009 is to be available by mid May, allowing very short time to approve the data and to revise the 2020 RES targets.

Therefore the agreement of the PHLG to contract the previous consultant, IPA Energy and Water Economics to calculate the revised 2020 RES targets is to be considered at this stage. The Secretariat will agree the Terms of Reference with the RE TF Chairman based on the approval of the new calculation methodology for the 2020 RES targets.