

# **TOWARDS IMPLEMENTATION OF THE NEW DIRECTIVE 2009/28/EC ON RENEWABLE ENERGY SOURCES IN THE ENERGY COMMUNITY**

## **– REPORT OF THE RENEWABLE ENERGY TASK FORCE CHAIRMAN –**

### **I. BACKGROUND**

The Energy Community started to consider the implication of the new EU Renewable Energy Directive<sup>1</sup> immediately after its adoption by the European Parliament. It is the very first EU legislative act that made explicit reference to the Energy Community in relation to implementation of its relevant provisions (subject to decision for its implementation by the Contracting Parties).

Currently, the preceding Directives 2001/77/EC and 2003/30/EC which will be repealed starting 1 January 2012, constitute part of the *acquis* on renewables under the Energy Community Treaty – thus, certain steps in the area have been already undertaken.

A dedicated study (RES Study), which aims at assessing the impact and the modalities of possible inclusion of the Directive 2009/28/EC into the Energy Community *acquis*, has been launched by the Energy Community Secretariat in March 2009, following the conclusions of the 5<sup>th</sup> Ministerial Council Meeting in December 2008.

The 6<sup>th</sup> Ministerial Council Meeting in June 2009 adopted the establishment of a Renewable Energy Task Force (RE TF) under the chairmanship of Mr. Paul Hodson (European Commission). The Task Force acts as expert team of representatives from the Contracting Parties, Observers and Participants' countries, assisting the work of the PHLG in the analysis required for adoption of the new Renewable Energy Directive.

The new initiatives related to renewable energy have been actively pursued in 2009 and 2010 towards the goal of reaching an agreement to extend the Energy Community *acquis* related to renewable energy (Directive 2009/28/EC in concrete).

On this ground, the current Report presents the overall findings related to the modalities of inclusion of the new EU Renewable Energy Directive 2009/28/EC in the *acquis* of the Energy Community and serves as background information for a draft Recommendation, which might be considered at the Ministerial Council meeting in September 2010.

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

## **II. KEY UNDERTAKEN STEPS**

### **1. Study on the Implementation of the new EU Renewable Energy Directive 2009/28/EC in the Energy Community – the RES Study**

The RES Study was launched by the Energy Community Secretariat in March 2009 with the aim to assess the capacity of energy sectors of the Contracting Parties and Candidate Contracting Parties (Moldova, Ukraine and Turkey) to implement the commitments of the new Renewable Energy Directive and potential advantages from applying the cooperation mechanisms. More specifically, the Study included a calculation of targets for the share of the renewable energy in the total gross final energy consumption (for electricity, heating and cooling) for each of the Contracting Parties and Candidate Contracting Parties in 2020. The 2020 renewable energy target in transport is defined for all Contracting Parties and candidate Contracting Parties at the level of 10% as for all EU Member States.

In February 2010, the Final Report of the Study has been presented to the Renewable Energy Task Force members by the Consultant IPA Energy and Water Economics during the 2<sup>nd</sup> RE TF meeting.

The Study calculated 2020 renewable energy targets for the Contracting Parties and candidate Contracting Parties based on the methodology used to calculate targets for EU Member States. The evaluation of costs and opportunities for the Energy Community as well as the impact of energy saving measures to reach the 2020 RES targets has been presented. The Report was targeted to provide supporting information for the RE TF to present to the PHLG the underlying rationales to the MC to reach a decision.

The RES Study explicitly highlighted the problem with the availability of reliable data related to the biomass consumption statistics, consistency of data collection and measurement methods across the region. The Consultant derived the data from the Contracting Parties and other sources and noted that consumption and availability of biomass is one of the greater uncertainties of the RES Study. The issue needs special attention because is impacting the calculation of the renewable energy share in the base year 2005 and 2020 RES target and, moreover, the required effort to meet the 2020 targets. Several comments by the Contracting Parties and Participants have been discussed during the presentation and the RE TF members have been given two weeks more to send their comments to the RE TF Chairman and to the Consultant in order to timely finalise the Study.

The Study was pronounced finalized on the PHLG – RE TF meeting, which took place on 21.05.2010. The Secretariat was respectively invited to finalize the relations with the consultant procedurally.

### **2. PHLG – RE TF Meetings**

At the 16<sup>th</sup> PHLG meeting, the Secretariat invited the PHLG to consider attending a meeting with the RE TF to discuss the outcomes of the RES Study and the draft MC Decision prior to the 17<sup>th</sup> PHLG meeting in June 2010. A meeting PHLG - RE TF Chairman has been scheduled for 16 April however, the flights disruptions due to the volcanic eruption in Iceland affected the event. The Consultant succeeded to present the RES Study to the PHLG via a video conference, however in the absence of the RE TF Chairman some principle comments remained to be addressed further.

The PHLG members were invited to submit their comments to the Secretariat by end of April 2010. Despite vivid discussions during the meeting only the representatives of UNMIK, Serbia and Albania have sent their comments in writing.

Following the outcomes of the meeting, the PHLG has been invited to a new meeting with the RE TF Chairman on 21 May 2010. The aim of the meeting was to discuss the critical issues of the RES Study and the open issues in the preparation of the documents related to renewable energy for the next Ministerial Council meeting in September 2010.

Upon the discussions of all the issues raised related to the outcomes of the RES Study, the RE TF Chairman proposed to consider the Study finalised - however, without taking the calculated targets as a basis for the decision to be proposed to the Ministerial Council in September 2010. The baseline data (2005) have a key role in the calculation of 2020 RES targets; therefore, further work is needed on establishing reliable biomass consumption data. The PHLG and RE TF participants agreed to finalise the Study, although some comments from the Contracting Parties have been sent and discussed.

Due to the fact that biomass consumption is a critical issue for the calculation of sound 2020 RES shares, two options for further consideration have been discussed. The first one envisages the Contracting Parties to work on biomass statistics and to get accurate data on biomass consumption. The second option is to launch as soon as possible a new study on biomass consumption surveys in the Contracting Parties and candidate Contracting Parties to have the results by April 2011.

Although the first option is the most appropriate way of dealing with the renewable energy statistics on long-term, it requires a lot of time and administrative capacity that does not actually exist in the Statistical Offices in the Contracting Parties. The second option of launching a new study to conduct biomass consumption surveys has been assessed as the best way to have prompt results and to allow the Energy Community institutions to give earlier decision support on the implementation of the new RE Directive. Therefore, a decision of the Ministerial Council on the implementation of the new RES Directive could be made in 2011.

Considering the above mentioned issues, it was noted that a proposal for the adoption of the Directive 2009/28/EC cannot be submitted to the Ministerial Council meeting in September 2010. However, a Recommendation identifying the issues the Contracting Parties ought to start working on is presented for consideration. The four main elements of the draft Recommendation are:

1. **A renewable energy plan** – assessing the available potential and opportunities to develop renewable energy sources
2. **Implement appropriate incentives to support renewable energy** – such as support schemes when appropriate
3. **Framework conditions** for promotion of renewable energy – the administrative procedures, regulation and codes, grid system issues, guarantees of origin for electricity, heating and cooling as well as certification of installers;
4. **Biofuels sustainability criteria** – measures to be implemented to allow economic operator to show they comply with the requirements of the Directive;

The minutes and conclusions of the PHLG – RE TF meeting as of 21 May 2010 are available at: [http://www.energy-community.org/portal/page/portal/ENC\\_HOME/CALENDAR/Other\\_Meetings/2010/May\\_20](http://www.energy-community.org/portal/page/portal/ENC_HOME/CALENDAR/Other_Meetings/2010/May_20)

### **III. PROPOSAL FOR THE MINISTERIAL COUNCIL**

The RE TF Chairman, taking note of the work and findings so far, including the recent outcomes of the Study and the conclusions of the PHLG and PHLG – RE TF meetings, proposes to the Ministerial Council hereby concrete further steps for consideration and approval as follows:

1. The biomass issues delay a proposal of a draft Decision on the implementation of Directive 2009/28/EC in the Energy Community. In order to already start working on relevant issues for the future implementation of the Directive, it is assumed that the Draft Recommendation, referred to at the beginning of this report, shall identify practical steps that can be proposed to the Ministerial Council for implementation including relevant deadlines. Thus, PHLG is invited to consider the Draft Recommendation and to agree on its submission to the Ministerial Council of the Energy Community for consideration at its meeting on 24.09.2010;
2. As the biomass data is crucial for the accuracy of the 2020 RES targets, PHLG is invited to consider the launch of a new study on biomass consumption surveys and assign the Secretariat – in cooperation with the RE TF– to open a tender;
3. Extension of the Renewable Energy Task Force mandate with the scope of work defined in the Attachment 1 as proposed by the Secretariat and accepted by the PHLG during the meeting on 29 June 2010 (Conclusion no.8, 17<sup>th</sup> PHLG meeting).
4. The Contracting Parties are encouraged to give the relevant national institutions the powers and duties to continue working and focus on renewable energy as one of the priority areas of the energy policy for the Energy Community up to 2020.

## **PROPOSAL OF THE SECRETARIAT ON THE EXTENSION OF THE MANDATE OF THE RENEWABLE ENERGY TASK FORCE**

### **I. BACKGROUND AND PROPOSAL**

At its meeting in June 2009, the Ministerial Council of the Energy Community agreed to the establishment of a Renewable Energy Task-Force, adopted its mandate, which expires in September 2010, and elected its Chairman<sup>2</sup>.

Consequently, the Renewable Energy Task Force (RE TF) adopted and followed successfully its Work Programme.

Details on its performance are indicated in a separate report of the Chair of the RES TF. This report shows both clearly concrete achievements since the Task Force was established. In addition, however, it also specifies the major challenges ahead. A major back up for such an approach is also the outcome of the completed RES Study, which has shown that there are inconsistency in biomass data statistics, collection and methodologies across the Contracting Parties.

On this ground, further to previous considerations, the outcome at the common PHLG – RE TF meeting (Vienna, 21.05.2010) indicated that the work of the RE TF needs to continue. Thus, the extension of its mandate of was explicitly proposed by the Secretariat during the meeting on 21.05.2010 and PHLG meeting on 29 June 2010. PHLG endorsed the proposal of the Secretariat for the extension of the RE TF mandate and it has been respectively reflected in the PHLG meetings conclusions (Conclusion no.8, 17<sup>th</sup> PHLG meeting, 29 June 2010).

In summary, the focus of the further efforts should target to work on concrete steps along the proposed Recommendation of the Ministerial Council related to the *acquis* on renewables.

Therefore, with this Working Paper the Secretariat proposes the extension of the mandate of the RE TF.

### **II. PROPOSAL FOR A MANDATE**

The Secretariat's proposal on a scope and time frame of a mandate is outlined below.

#### **1. Scope of the mandate**

In its work, the RES TF shall focus on concrete steps, following eventual Recommendation of the Ministerial Council on further steps, concerning potential implementation of Directive 2009/28/EC.

In this aspect, it might consider:

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<sup>2</sup> Item 8 of the 6<sup>th</sup> Ministerial Council Conclusions, 26.06.2009

- 1.1. work with Contracting Parties to build statistical values on renewable energy consumption
- 1.2. Support on the development of the Renewable Energy Action Plans as proposed in the Recommendation of the Ministerial Council related to the new Renewable Energy Directive 2009/28/EC.
- 1.3. Extension of the Knowledge Management Platform related to renewable energy;
- 1.4. Work towards further capacity building in the renewable energy area with the support of Donor's community;
- 1.5. Analytical work, based on the EU experience and the outcome of the available and other potential studies, related to RES.

## **2. Time Frame of the RE TF Mandate**

The overall mandate of the RE TF shall be extended until 31<sup>st</sup> December 2011. However, the RES TF Chair shall be invited to report on the work of the Task Force at the Ministerial Council meeting in 2011.

The Ministerial Council is hereby invited to consider and eventually adopt the extension of the RES TF mandate along the RE TF Chairman Report.