The Development of Renewable Energy Governance in the EU and the EnC

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April 28, 2021
I. Introduction – why Renewable Energy?

- European approach to Energy and Climate 
targets, relevant for all Member States / 
Contracting Parties – governance constantly in 
flux

- RE governance, as opposed to Greenhouse Gas 
(GHG) or energy efficiency (EE), is especially 
relevant given the shift from nationally binding 
targets under the 2020 framework to an EU-
wide ‘binding’ target in the 2030 framework.

- Towards “harder” soft RE governance in the 
EU, but how has RE governance in the 
EnC developed since the adoption of the Lisbon 
Treaty?
II. EU Governance of Renewables 2020 to 2030

- Renewable Electricity Directive
  - Binding national RE targets towards 20% & NREAPs

- Renewable Energy Directive – I

- (Recast) Renewable Energy Directive - II
  - EU binding target of 32% RE in 2030
  - Governance Regulation – Introduction NECPs

- European Green Deal
  - Fit for 55 Package
  - RED amendments to implement the new 2030 climate targets
II. EU Governance of Renewables 2020 to 2030

2020
- 20% Greenhouse Gas Emissions
- 20% Renewable Energy
20% Energy Efficiency
10% Interconnection

2030
- 55% Greenhouse Gas Emissions
???
???

Energy Union framework and governance
II. EU Governance of Renewables 2020 to 2030

2020
The 2009 RE Directive introduced obligatory National Renewable Energy Action Plans (NREAPs), which include: renewable energy, biomass policy, contribution of technology estimate, renewable heating and cooling, the use of cooperation mechanisms, biofuel sustainability and the transport sector.

Both a NREAP that does not respect the obligations set out in the 2009 RE Directive and a deviation by a Member State from its NREAP trajectory constitute an act of non-compliance

The Commission bases its performance assessment and the final decision on infringement procedures on the NREAPs (unlikely)

-> Incentivizing a Statistical Transfer and peer-pressure through a Transparency Platform

2030
The Governance Regulation introduced integrated National Energy and Climate Plans (iNECP), including short term (10 years) and long term (50 years) strategies based on the European Semester Model

MS are obliged to submit plans to reach their national contributions to the EU binding RE target, including (1) biennial progress reports and (2) annual reporting. The sum should amount to an achievement of the EU target, monitored by the Commission

-> Recommendations to be addressed by the following reporting cycle.

We can witness a change in the extent to which the Commission can address the Ambition Gap and Delivery Gap, as well as in the credibility of the data on which the analysis is based.
II. EU Governance of Renewables 2020

Overall share of energy from renewable sources (% of gross final energy consumption, 2019)

Source: Eurostat
Under the 2030 framework, the Commission has the right to assess national contributions towards the 2030 EU RE target provided in the iNECPs, granting it specific competences to address both a possible Ambition Gap or Delivery Gap.

- **Ambition Gap**, individual Member State Recommendations that adjust the national RE contributions to a sufficient level (non-binding).
- **Delivery Gap**, MS missing national reference point targets, need to be back on track within a year through the implementation of additional measures or provide justifications for a possible deviation.

The EU thereby assumes both the role of judge and jury, since it (1) assesses the progress made by MSs towards the EU wide RE targets through the reporting obligations, and (2) provides the MSs with feedback and takes corrective action, if deemed necessary in case of an Ambition or Delivery Gap.

- The Governance Regulation has granted the Commission the power to use ‘delegated acts’ when the collective individual contribution is expected to be insufficient.

- When the Commission finds an Ambition Gap, it might recommend a variety of gap-filling mechanisms to be implemented.

- The integration of RE target reporting with reporting on EE and GHG in a iNECPs enhances transparency and accountability, and the monitoring and enforcement powers of the Commission have been strengthened.

  However, for a lack of ambition in the iNECP or non-compliance with the Commission’s Recommendations, no infringement procedure is possible.
III. EnC Governance of Renewables 2020 to 2030

- Renewable Electricity Directive
  - Binding national RE target of 20% & NREAPs
  - EU binding target of 32% RE in 2030
  - Governance Regulation – Introduction NECPs
- EU binding target of 32% RE in 2030
- Governance Regulation – Introduction NECPs
  - to be adapted
  - Renewable energy target of XX% in 2030
- European Green Deal (2021)
  - Fit for 55 Package
  - RED amendments to implement the new 2030 climate targets
- Quo vadis?
The adoption of the 2009 RE Directive granted the EnC Secretariat similar oversight powers as the European Commission under the EU’s 2020 framework. It thereby took over the role to oversee the submission of NREAPs, by making use of the EU’s 2020 template.

The Contracting Parties were bound to submit their first NREAPs to the EnC Secretariat by 30 June 2013 with progress reports submitted by 31 December 2014 and every two years thereafter. The Secretariat sent overall progress reports to the Ministerial Council one year after.

While the role for the Secretariat and their methods have been identical to the Commission in the EU internal governance framework, the lack of reliable data in the Contracting Parties and the initial lack of ownership seem to be the main differences.

In the absence of reliable data, some Contracting Parties have revised their baseline values -> **Downward revision of North-Macedonia 2020 RE target** because of biomass consumption statistics.

The Ministerial Council decided that Albania, Bosnia and Herzegovina and Northern Macedonia had failed “to adopt and to notify to the Secretariat, within the prescribed time limit a National Renewable Energy Action Plan”
Share of renewable energy in gross final energy consumption

- **Albania**: 38% (2019), 40% (2020 RES target)
- **Bosnia and Herzegovina**: 40% (2019), 40% (2020 RES target)
- **Kosovo**: 25% (2019), 20% (2020 RES target)
- **Moldova**: 17% (2019), 20% (2020 RES target)
- **Montenegro**: 33% (2019), 33% (2020 RES target)
- **North Macedonia**: 23% (2019), 23% (2020 RES target)
- **Serbia**: 11% (2019), 11% (2020 RES target)
- **Ukraine**: 11% (2019), 11% (2020 RES target)

Source: Eurostat & Ukraine Progress report on Implementation of RES.
“Legal gap” without the Governance Regulation in place, for the 2030 framework in the EnC the following three unresolved issues are leading:

1. “What should be the individual level of contribution by the contracting parties (towards a regional target)?”;
2. “How should enforcement be understood?”, and;
3. “Will there be a similar level of ambition as the EU?”

The Commission has commissioned a study to establish the 2030 targets for the Contracting Parties.

The EnC has engaged with each Contracting Party in order to discuss and support them in setting the targets through capacity training.

Gap-filling mechanisms for the EnC are currently not an option due to the fact that a regional target will need to be adopted in order to make them work. The EnC is left with naming and shaming as their most effective tool.

However, an important role in this process is currently fulfilled by the Renewable Energy Coordination Group (RECG), which offers technical support for the implementation of secondary legislation.

No NECPs have been adopted thus far, only North-Macedonia sent an official draft, while Bosnia & Herzegovina, Montenegro, Georgia, Ukraine and Albania are in the process of sending theirs.
### III. EnC Governance of Renewables 2030

#### State of National Energy and Climate Plans preparation

<table>
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<tr>
<th>Country</th>
<th>Legal basis adopted</th>
<th>Working group operational</th>
<th>Modelling capacity exists</th>
<th>Policy section (A) drafted</th>
<th>Analytical section (B) drafted</th>
<th>Submitted to the Secretariat for peer review</th>
<th>Final version submitted to the Secretariat</th>
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- **Finished**
- **Started**
- **Planned**

Source: compiled by the Energy Community Secretariat.

Image: Balkan Green Energy News, information by the Energy Community Secretariat.
IV. Conclusions – There and Back Again?

- Decrease of the ‘harder’ governance elements.

- Stocktaking - increase in Accountability:
  - EU: MS' in a closer relation with the EU.
  - EnC: CP's in a closer relation with RE policy making.

- Caveats:
  - Only partial implementation of the Energy Acquis in the Energy Community
  - No agreement on the 2030 RE targets for the EnC CP's
  - Absence of effective Sanctioning Mechanism in the Energy Community
  - New EU climate targets currently under discussion
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FOR YOUR ATTENTION

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