CLEAN ENERGY FOR ALL EUROPEANS

New Renewable Energy Directive and Governance

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CLEAN ENERGY FOR ALL EUROPEANS

1. The revised Renewable Energy Directive
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

Investment certainty
Collective target achievement
Cost-effective deployment
Promoting active role of consumers
Tapping heating and cooling potential
Promoting innovation in transport
Strengthening bioenergy sustainability
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A NEW EUROPEAN APPROACH TO RENEWABLES

- **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%

Toolbox

- Investment certainty
- Cost-effective support
- Streamlined procedures
- Empowering consumers
- Regional cooperation
- Target for transport
- Target for heating and cooling
- Sustainable bioenergy

Gap filler
Revised CEF & new MFF
Access & curtailment rules
"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

- Selling in the market (premiums)
  - Exemptions for small scale-and demo projects
- Competitive bidding
  - Exemptions for small scale and demo projects
- Competition of technologies
  - Technology-specific based on justified grounds (listed)

Without prejudice to individual state aid procedures (case-by-case assessment)
INCREASING STABILITY AND PREDICTABILITY

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 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:
  - Assessing 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

- **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

**Multipliers**

- Car: x4
- Rail: x1.5
- Sea: x1.2
- Air: x2

Limited to 3.4% (Double Counting)
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
2. Governance of the Energy Union
1. PURPOSE AND SCOPE OF THE PROPOSAL

A ROBUST GOVERNANCE TO MEET 4 OBJECTIVES

- Meet Energy Union objectives (notably the 2030 targets)
- Ensure Better Regulation and reduce administrative burden
- Allow for investor certainty and predictability
- Synchronise planning and reporting cycles with Paris Agreement
2. GOVERNANCE PROCESS – How does it work?

MAIN ELEMENTS OF THE ENERGY UNION GOVERNANCE

National Integrated Energy and Climate Plans (2021 to 2030) (preparation well before 2020)

Integrated national progress reports (from 2023, every two years)

European Commission monitoring (State of the Energy Union)

Streamlining:

1 Plan
1 Report
1 Monitoring
3. INTEGRATED NATIONAL ENERGY AND CLIMATE PLANS (NECP)

NECP - BINDING TEMPLATE AND 10 YEAR PLANNING CYCLE

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ENERGY UNION DIMENSIONS

- Decarbonisation
- Energy efficiency
- Energy security
- Internal market
- R&I and Competitiveness

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3. PREPARATION

PUBLIC CONSULTATION AND REGIONAL COOPERATION

- Public to be given early and effective opportunities to participate in the preparation of the NECP as well as the LTS
- Multilevel climate and energy dialogue
- MS to identify opportunities for regional cooperation and consult neighbouring Member States
- MS shall consult neighbouring countries. MS can consult third countries that have expressed an interest
5. DRAFT NECPs

BEING ASSESSED BY THE COMMISSION

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THANK YOU!