The Renewable and Energy Efficiency Package
Where do we stand?

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Vienna, 5 May 2017
WHERE DO WE STAND?

„Justizpalast“
(Supreme Court)
Vienna
WINTER PACKAGE
WHERE DO WE STAND, WHERE DO WE GO?

2020 climate & energy package

2030 climate & energy framework
Conclusion of the European Council

Winter Package (from proposal to adoption)

RES Directive

EE Directive

EPB Directive (Recast)

Legislative process

June 2009
July 2010
December 2012
October 2014
November 2016
2nd half of 2018
WHERE DO WE STAND?
RENEWABLE ENERGY

- RES Directive 2009/28/EC
  - Target: 20% renewables in the final energy consumption by 2020
  - legally binding national targets
  - orchestrated transition to RE successful (from 10.4% in 2007 to 17% in 2015)

- EU policy goals
  - at least 27% renewables in 2030 (collective target for EU)
  - EU becoming world‘s #1 on renewables
WHERE DO WE STAND?
RENEWABLE ENERGY – EXEMPLARY PROBLEMS (I)

> National targets / actions

- significant performance differences of EU Member States / fragmentation of local markets / in general no incentive for cross-border participation
- high costs for tax payers / electricity consumers in some EU Member States (e.g. GE)
- no incentive for self-consumption of RE at building level and „prosumer“ activities
- (district) heating and cooling sector (50% of total energy demand in Europe): still high dependance on fossil fuels
- No coherent and sustainable policy vis-à-vis biomass for energy / biofuels (strong lobbying groups at national level, etc)

> no investor certainty post 2020
WHERE DO WE STAND?
RENEWABLE ENERGY – EXEMPLARY PROBLEMS (II)

> National support schemes in recent years successful, **BUT** diversified across the EU (*map to the right dated 2014*), e.g.:

- investment aid
- tax benefits
- green certificates
- feed-in tariffs
- premium payments

Note: This map does not include secondary support instruments like tax incentives, investment grants, etc.
WHERE DO WE STAND?
RENEWABLE ENERGY – EXEMPLARY PROBLEMS (II)

- National support schemes in recent years successful, **BUT**
  - not (always) cost-effective, not market-based
  - grid and system development needs, balancing needs
  - in some EU Member States no stable and predictable legislation

- new „State Aid design“ already in place (→ see Environmental and Energy State Aid Guidelines 2014 - EEAG), but transition period

- Current debate in Austria (draft Amendment to Eco Energy Act): last chance to collect public subsidies on basis of „old“ state aid regime (feed-in tariff decoupled from market price, full compensation of higher costs, „perfect bankability“)
WHERE DO WE STAND?
ENERGY EFFICIENCY

> EE Directive 2012/27/EU
  - Target: 20 % improvement by 2020
  - indicative national energy efficiency targets

> EU policy goals
  - at least 27 % ( 30 %) improvement in 2030
  - extend energy saving obligations (1,5% of energy consumption p.a.) until 2030
  - improve EE in buildings
  - improve energy performance of products (Ecodesign)
  - inform consumers (Energy Labelling)
WHERE DO WE STAND?
ENERGY EFFICIENCY – EXEMPLARY PROBLEMS

> lack of
  - guidance for member states and for large enterprises
  - transparency in metering and billing – no clear and timely information about energy consumption for consumers
  - verification rules → difficulties in drawing reasonable conclusions regarding confidence in the totality of measures

> EE in buildings: underinvestment → renovation rate of buildings per year: 1%

> complicated
  - calculation of energy savings
  - eligibility criteria for the purposes of Art 7 EED
WHERE DO WE STAND?
MACRO-ECONOMIC FIGURES

> The renewable energy sector in Europe
  ▪ employs more than 1 Mio persons
  ▪ accounts for ~ EUR 144 billion p.a.
  ▪ holds 40% of the world’s renewable energy patents

> RE deployment cut ~ EUR 20 billion of fossil fuel imports in 2014

> Out of the EFSI-transactions approved by the EIB, 23% are in the energy sector; ~ half of the projects in this sector are related to renewable energy investments

Source: European Commission
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