The European Commission’s Climate and energy package

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Proposal for a new Directive on ETS:

- Allocation based on common EU-wide rules
- Auctioning as a main tool for allocation of allowances as of 2013 for the power sector.
- More gradual introduction of auctioning for industrial installations

Non-ETS sectors: 10% decrease compared to 2005 – on the basis of burden-sharing.
The renewables Directive

1. Sets mandatory national targets for renewable energy shares, including 10% biofuels share, in 2020 (Articles 3 and 5)

2. Standardises “guarantees of origin” (certifying the renewable origin of electricity or heat) and enables the transfer of these to provide flexibility to Member States (Articles 6, 7, 8, 9 and 10)

3. Requires National Action Plans (Article 4)

4. Requires reduction of administrative and regulatory barriers to the growth of renewable energy (Article 12), improvements in provision of information and training (Article 13) and improves renewables’ access to the electricity grid (Article 14)

5. Creates a sustainability regime for biofuels (Articles 15-18)
EU-27 efforts in Renewables
Policy targets

Done

To be done

RES share in 2005
Flat rate increase of 5.5%
Additional effort based on GDP per capita

2005

2020

8.5%
5.5%
6%

20%
EU-27 efforts in Renewables
RES share in 2020

EU-27

BE 13% 16%
BG 13%
CZ 13% 18%
DK 30%
DE 25%
EE 18% 23%
FI 17% 13%
FR 34%
IT 23%
CY 42%
LT 23%
LU 11%
HU 13%
MT 10% 14%
NL 34%
AT 15% 24%
PL 31%
RO 25%
SI 14% 25%
SK 14%
FI 38%
SE 49%
UK 15%
The proposed flexibility mechanism: Guarantees of origin for renewable electricity and large-scale heat (1/2)

- Builds on the framework created by 2001/77/EC
- Member States meeting their trajectory may transfer extra GOs to other Member States
- GOs from new installations may be transferred by companies ("persons")
- Member States may create a system to require prior government approval of such transfers
Article 5 creates opportunities for trade of RES-E from third countries to be counted against the national targets.

**Conditions are:**

- Electricity should be **consumed** in the Community.
- Electricity from installation operational **after** entry into force of the Directive.
- The electricity is issued with a **guarantee of origin** part of a system of guarantees of origin equivalent to that laid down in the Directive.
National Action Plans

- Sectoral targets now set by Member States
- Measures adequate to achieve the targets including planned development of biomass resources
- Provides policy stability for investment
Administrative reforms

Requires reforms of administrative and regulatory barriers to the growth of renewable energy

- simplification and streamlined procedures
- planning authorities to consider renewable energy and district heating and cooling systems
- minimum levels of renewable energy in building codes for new or refurbished buildings
- promotion of energy efficient renewable energy
- certification regimes for installers; mutual recognition
Grid access: improves renewables’ access to the electricity grid

- Builds on existing access conditions in 2001/77/EC
- Requires Member States
  - to provide priority access to the grid system for electricity from RES
  - to develop grid infrastructure
  - to review cost sharing rules
Promotion of biofuels (1)
- Sustainability criteria for biofuels

- GHG savings – minimum of 35%

- No raw material from undisturbed forests, biodiverse grassland, nature protection areas

- No conversion of wetlands and continuously forested areas for biofuel production (to protect carbon stocks)

- All EU biofuels must meet “cross compliance” environmental rules
What's next?

Following a first debate in the Energy Council on 28 February, the European Council on 13 - 14 March will discuss the entire energy - climate package.

An ambitious further timetable:

- Agreement under French Presidency end of 2008 and adoption 2009
- Entry into force: March 2010
Thank you for your attention!

For more information:
http://ec.europa.eu/energy/index_en.html