Renewable Energy

- Renewable energy forms an indispensable part of Europe's energy mix, and its development is an indispensable element of Europe's energy and climate change policy.

- The Community has had a renewable energy policy – and 2010 target – since 1997. But Commission progress reports have highlighted the inadequate progress Member states have made in reaching their 2010 targets for renewable energy in the electricity and transport sectors.

- With this in mind, the new renewable energy framework is crucial if renewable energy is to help us meet our energy policy goals of sustainability, security of energy supply and competitiveness.

- The Directive will confirm national binding targets for renewable energy for 2020 that confirm the 20% target for the EU and show the world that nationally legally binding targets can be established and agreed. This will confirm the EU as the leading area in the world in terms of a commitment to invest in renewable energy, promoting growth, jobs and
energy security, not to mention a huge contribution to our greenhouse gas reduction objectives.

- In addition, the text contains flexibility and cooperation mechanisms to enable Member States to achieve their targets by working together - and with third countries - in cost-effective ways.

- It establishes a 10% target for renewable energy in transport and bonuses for second generation biofuels and for renewables used by electric cars, giving the EU a head start in these important areas and developing technologies.

- The Directive also establishes a whole range of measures to abolish administrative barriers faced by renewable energy and ensure its access to the electricity and gas networks.

- And finally, it creates a world-leading set of sustainability criteria for biofuels.

- All this, along with the progress we are making on the other elements of the package, means we are on course to maintain the EU's pioneering role in the critical task of tackling climate change, and to lead by example in Copenhagen next year.

- Negotiations between the Council and Parliament are almost complete. The European Council will meet tomorrow and Friday to discuss the whole energy and climate package and
to resolve the one issue still discussed in Council (whether to review cooperation mechanisms in 2014 or not). Next week Parliament will then vote on the final text.

- The Directive is very interesting for all countries in the European "neighbourhood" and in particular for members of the Energy Community.

- Member States can of course continue to buy raw materials – namely biomass and biofuels – from third countries. This is an important and growing trade. However, with the new directive, for the first time, Member States will also be able to import electricity and count it towards their targets. This is part of the "flexibility" or cooperation package: when renewable energy is cheaper to develop in one country, so long as it is consumed inside the EU, it should count towards the targets. As with the other elements of flexibility in the Directive, the Member state benefits from cheaper renewable energy and the third country benefits from investment in its energy sector.

- In the latter stages of negotiations, Council went one step further: the electricity that will be imported under the joint project described above can count towards a Member State's target even before the inter connector is built! – these "anticipated imports" will also provide third countries with a reason to invest and encourage foreign investment.
• I should of course also mention the special reference to energy community contracting parties. The Directive recalls that the Energy Community can adopt EU legislation. When this is done, the contracting parties are essentially treated as Member States – you would have targets and a range of measures to reduce barriers to the growth of renewable energy in your own country and, through the statistical transfers mechanism, you would be able to take part in the virtual, statistical exchange of renewable energy – another major source of revenues would be opened up for you!

• So, both before and after an adoption of this Directive by the Energy Community, there are major benefits to be had. Imports of renewable energy, be they physical, anticipated or virtual, will mean there is a strong incentive for Energy Community Counties to develop their renewable energy sector, to build up your energy infrastructure, your generation capacity, and to "turn green" yourselves and reap the benefits of your extensive renewable energy resource base.

• I trust that on this basis, the directive meets with your approval!

• So, ladies and gentlemen, in the hope that the Directive will be agreed in the coming days, I believe we can look forward to an effective and rapid implementation of the Directive in
practice, generating real and tangible benefits for EU citizens – and also for citizens in the Energy Community.