



PRESS RELEASE

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MARKET STIMULATION OF RENEWABLE ELECTRICITY IN THE EU: WHAT DEGREE OF HARMONISATION IS REQUIRED?

**Presentation of the new CEPS report in the European Parliament
20 October 2005, 10:00-12:00, Room P4B001 in the Spaak Building (PHS)
European Parliament, Rue Wiertz**

Speakers

Mechtild Rothe, MEP, Member of the Environment Committee

Luc Werring, Head of Unit, Renewable Energy, DG TREN, European Commission

Antonio Pflüger, Head of the Energy Technology Collaboration Division of the International Energy Agency (IEA) and Chairman of the CEPS Task Force

Christian Kjaer, Policy Director, European Wind Energy Association (EWEA)

Nils Andersson, Director Business Development, Nordic Generation, Vattenfall

Jaap C Jansen, Senior Economist, Energy research Centre of the Netherlands (ECN) (Rapporteur)

Christian Egenhofer, CEPS Senior Research Fellow (Rapporteur)

Kyriakos Gialoglou, CEPS Associate (Rapporteur)

Note: The speakers will be available to brief the press after the meeting.

This CEPS report is being launched in the crucial period ahead of the European Commission's own Evaluation Report due for this year. The CEPS report is the result of a joint CEPS/ECN multi-stakeholder Task Force, composed of industry representatives, environmental NGOs and other stakeholders, which was chaired by Antonio Pflüger of the International Energy Agency.

The report **makes a robust case for continuing support** for renewable electricity, arguing that "renewable stimulation should be pursued as a separate policy and not be linked to climate change policy". A broad range of promised benefits justify support, most notably bringing down technology costs, which is best achieved by continuous and stable support.

The report develops a **timetable for harmonisation of European support schemes**. It sets out a staged approach of gradual progressive harmonisation steps until 2015 (reproduced in the **Annex to this Press Release, p. 3**).

Principal Findings

- The European Commission should explore more deeply the international dimension and the possibilities for integration with non-EU countries in Europe and the Mediterranean because the potentials for wind and solar in particular are large.
- There is a broad consensus that new technologies are key for CO₂ mitigation efforts. Renewable energy is an important part of it, as was highlighted this year by the Gleneagles G8 Summit in its Plan of Action. We need more progress.
- If renewable energy is to expand in the future, harmonisation of divergent national support schemes becomes inevitable. This was the view shared by all participating stakeholders during a series of consultation meetings, although no common stance on the timing could be reached.
- While harmonisation of RES-E support is difficult at present – as member states' support schemes diverge – this report shows that it can be done by a staged approach. In the short-run, coordination of total support levels per MWh for each renewable technology is warranted to mitigate distortion disparities among member states regarding RES-E generation in the internal electricity market.
- It is imperative that harmonised, reliable and accurate renewable energy guarantees-of-origin (RE-GOs) systems be implemented as soon as possible. Such RE-GOs are indispensable for removing barriers to cross-border RES-E trade, ensuring consumer protection (transparency for the consumer's choice), fostering market efficiency (enabling new entrants to offer green electricity products and limiting administrative costs of interacting policies) and, notably, empowering consumers to drive the liberalising electricity market in more sustainable directions.”
- One of the most urgent immediate tasks – often forgotten – is to improve coordination of renewables policy with other environmental policies. For example, the EU CO₂ emissions trading scheme undermines member states' incentives for ambitious renewables targets.

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Annex. Proposed roadmap for integration of renewable support mechanisms

The following tentative timeframe for coordinated action at the EU level is recommended for further consideration.

Table 6.1 Timeframe for action

Action	Timing of introduction		
	Before 2007	Before 2010	After 2015
Analysis of best practises of support schemes*	√		
Harmonisation of support mechanisms			
a) Total level of support	√		
b) Support schemes		√ **	
c) EU framework		√	
Removing mandatory support			√
Preparation of harmonised RE-GO schemes	√		
Introduction of harmonised RE-GO/GO schemes		√	
Grid integration			
a) Grid extension planning	√		
b) Coordination and information sharing among regulators and TSOs	√		
c) Harmonisation of member state grid access codes and standards for network equipment		√	
d) RES-E priority dispatch re-examination		√	
Authorisation procedures			
a) Promotion of streamlining of authorisation procedures based on best practice	√		
b) Promotion of regional one-stop authorisation	√		

* This action assumes agreed data collection.

** Given a seven-year transition period, the implementation of harmonisation decisions will come fully into operation by 2014 at the earliest and 2016 at the latest.

Source: Authors.

* Reproduced from the CEPS Task Force Report, *Market Stimulation of Renewable Electricity in the EU: What degree of harmonisation is required?*, Table 6.1, p. 46.