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on A Roadmap for Renewable Energy in Europe
(2007/2090(INI))

Committee on Industry, Research and Energy

Rapporteur: Britta Thomsen

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on A Roadmap for Renewable Energy in Europe (2007/2090(INI))

The European Parliament,

- having regard to the Commission Communication of 10 January 2007 - An Energy Policy for Europe (COM(2007)0001),
- having regard to the Commission Communication - Renewable Energy Road Map (COM(2006)0848),
- having regard to the Commission Communication - Report on progress in renewable electricity (COM(2006)0849),
- having regard to the Commission Communication - Biofuels progress report (COM(2006)0845),
- having regard to the Presidency Conclusions of the European Council of 8-9 March 2007, concerning the European Council's endorsement of a "European Council Action Plan (2007-2009) - Energy Policy for Europe" (7224/07),
- having regard to the Commission staff working document - Renewable Energy Road Map -(SEC(2006)1720/2), accompanying the Renewable Energy Roadmap,
- having regard to the Impact Assessment (SEC(2006)1719/2), accompanying the Renewable Energy Road Map,
- having regard to the Commission staff working document - Biofuels progress report - SEC(2006)1721/2), Accompanying document to the Commission Communication (COM(2006)0845),
- having regard to its resolution of 14 December 2006 on a European strategy for sustainable, competitive and secure energy - Green paper¹,
- having regard to its resolution of 14 December 2006 on a strategy for biomass and biofuels²,
- having regard to its resolution of 1 June 2006 on Energy efficiency or doing more with less - Green Paper³,
- having regard to its resolution of 23 March 2006 on security of energy supply in the European Union⁴,
- having regard to its resolution of 14 February 2006 on heating and cooling from renewable energy sources⁵,

¹ *Texts Adopted*, P6_TA(2006)0603.

² *Texts Adopted*, P6_TA(2006)0604.

³ *Texts Adopted*, P6_TA(2006)0243.

⁴ *Texts Adopted*, P6_TA(2006)0110.

⁵ *Texts Adopted*, P6_TA(2006)0058.

- having regard to its resolution of 29 September 2005 on the share of renewable energy in the European Union and proposals for concrete actions¹,
 - having regard to its position adopted at second reading on 13 April 2005 with a view to the adoption of a directive of the European Parliament and of the Council establishing a framework for the setting of ecodesign requirements for energy-using products and amending Council Directive 92/42/EEC and Directives 96/57/EC and 2000/55/EC of the European Parliament and the Council²,
 - having regard to its position adopted at second reading on 18 December 2003 with a view to the adoption of a directive of the European Parliament and of the Council on the promotion of cogeneration based on a useful demand in the internal energy market and amending Directive 92/42/EEC³,
 - having regard to its position adopted at second reading on 12 March 2003 with a view to the adoption of a directive of the European Parliament and of the Council on the promotion of the use of biofuels or other renewable fuels for transport⁴,
 - having regard to its position adopted at second reading on 4 July 2001 with a view to the adoption of a directive of the European Parliament and of the Council on the promotion of electricity produced from renewable energy sources in the internal electricity market⁵
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on International Trade, the Committee on Economic and Monetary Affairs, the Committee on the Environment, Public Health and Food Safety, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development and the Committee on Agriculture and Rural Development and (A6-0000/2007),
- A. whereas the Spring European Council of March 2007 adopted an overall binding target for the EU to generate 20% of all energy from renewable sources by 2020,
- B. whereas that represents a major step forward in developing a European energy policy that secures affordable energy from renewable sources,
- C. whereas, in its resolution of 14 December 2006, the European Parliament called for a more ambitious binding target for renewables of 25% of total energy consumption by 2020 and an indicative target of 50% by 2040,
- D. whereas directives to promote renewable sources of energy in the field of electricity have resulted in, or boosted, sustainable developments in the Member States,

¹ OJ C 227 E, 21.9.2006, p. 599.

² OJ C 33 E, 9.2.2006, p. 442.

³ OJ C 91 E, 15.4.2004, p. 628.

⁴ OJ C 61 E, 10.3.2004, p. 260.

⁵ OJ C 65 E, 14.3.2002, p. 113.

- E. whereas no legal provisions exist on heating and cooling from renewable sources of energy,
 - F. whereas market developments in renewable energies vary enormously from one Member State to another, for the most part not because of differences in potential, but rather because of different, and in some cases inadequate, political and legal framework conditions,
 - G. whereas achieving a 20% energy efficiency improvement by 2020 is an essential precondition of successfully achieving the 20% renewables target,
 - H. whereas the promotion of a renewable energy market will help achieve the new Lisbon objectives by increasing employment and the research and innovation efforts of the Member States and of the EU,
 - I. whereas greater use should be made of the EU's research and technology programmes to encourage the development of renewable energy technologies, as reflected in the FP7 Programme,
 - J. whereas transport fuels are a substantial and growing source of CO₂ emissions,
 - K. whereas sustainable solutions to the energy challenges are to be achieved through increased use of renewables, greater improvements in energy efficiency and energy savings,
 - L. whereas supplying people with energy to meet basic needs is indispensable,
 - M. whereas implementation of the existing legal framework is unsatisfactory,
1. Calls on the Commission to present a proposal for a renewable energy legislative framework to be adopted by co-decision, which should build on existing legislation for the renewable electricity and biofuels sectors, but must be strengthened and improved; urges the Commission to propose a sectoral approach within the legislative framework, setting clear, binding targets for the electricity, transport and heating and cooling sectors;
 2. Urges the Commission in its forthcoming proposal for revision of the Emissions Trading Scheme, to ensure the long-term benefits of investments in low CO₂ technology necessary to create a level playing field for renewable energies;

National Renewables Action Plans

3. Emphasises the importance of creating and implementing National Action Plans (NAPs), and stresses that these should serve to create a real Common European Energy Policy;
4. Calls for sectoral targets to be incorporated into the NAPs to encourage investment, innovation and research in all sectors; notes that, where technological development or

questions of cost efficiency call for adjustment of the sector targets, this could be done on review of the NAPs every second year;

5. Urges the Commission and the Member States to agree on a distribution mechanism based on cost-effectiveness and a sectoral analysis of the potential in each country which ensures an active commitment from all Member States; believes that future commitments from individual Member States should reflect the fact that some Member States will have to make up for an insufficient contribution to present EU policies on renewables;
6. Is concerned that some Member States want nuclear energy to be taken into consideration when determining national targets; insists that the target of 20% of energy from renewables means the contribution from renewable energy sources, not low-carbon energy sources in general;
7. Calls on the Commission and the Member States to include energy efficiency as a cornerstone in all NAPs;
8. Recalls that both consumers and industry feel the burden of increased energy prices heavily and that all efforts should be made by the Commission and the Member States to ensure affordable energy prices, when pursuing the renewables target;
9. Calls on the Commission to ensure that the necessary means and resources are available to assess the NAPs; believes that the Commission must ensure that the individual targets in the legislative framework amount to an agreed, EU binding, target;
10. Calls for milestones to be included in the NAPs and for regular reviews, so that the Commission can take action before 2020 if a country is not fulfilling its obligations;
11. Notes that the Commission's current statistical methodology penalises wind and solar power compared to other sources of electricity production;

Internal Market and the grid infrastructure:

12. Regrets that the European Council did not call sufficiently strongly for completion of the internal energy market and regrets that it did not agree on full ownership unbundling of transmission grids;
13. Finds that fair and equal access to the grids is an essential precondition for the successful integration and expansion of energy generation from renewable sources and that grid access should be further harmonised and strengthened in favour of renewable energy technologies;
14. Calls for investments in additional, flexible, intelligent grid infrastructure and grid management to improve system operation and reduce consumer costs;
15. Calls for increased efforts to coordinate across Europe planning procedures, Internet sites concerning renewables and proper grid interconnections;

16. Believes that the promotion of renewables must be accompanied by increased, and mandatory cooperation between national transmission system operators (TSOs) on grid planning issues in order to tackle the challenge of well integrating fluctuating energy sources;
17. Believes that a harmonised support scheme should be the long-term objective in Europe to ensure that the most efficient sites are utilised; believes that national support schemes would nevertheless be needed to maintain investor confidence, as many Member States are only now beginning larger-scale investments in renewables and as the internal electricity market is not yet completed;
18. Regrets the findings of certain studies that suggest that the EU energy policies on renewables and combating climate change are poorly reflected in the draft spending plans for the Structural Funds and the cohesion funds;
19. Calls on the Commission and the Member States to ensure that renewables are given the highest priority in the sustained efforts that are to be made to maximise the use of EU research and technology development programmes; urges the Member States to agree a strategy for increasing the budget for energy research; suggests that this goal be pursued on revision of the 2007-2013 budget;

Transport and biofuels:

20. Calls for the development of a comprehensive, sustainable transport policy that fulfils the objectives of EU environmental and climatic policies, as well as social and regional objectives, in which sustainable produced biofuels can play a role;
21. Welcomes the Commission's proposal for promoting biofuels and other renewable fuels for transport by means of imposing a binding target of 10%, provided that these fuels can be produced in a sustainable way; stresses that this would reduce oil dependency and CO₂ emissions in the transport sector; believes that the use of hydrogen and electric cars will play an important role in the future and that hybrid cars are an interim step towards electro-mobility.
22. Emphasises that the production of more fuel-efficient cars continues to be the best way of reducing oil consumption and is concerned that the message Parliament sends to the car industry should be less focused on the demand for biofuels and more focussed on the demand for more fuel efficient vehicles; welcomes, however, the proposal on the revision of the fuel quality directive, which aims to reduce the CO₂ content of transport fuels on a well-to-wheel basis;
23. Calls on the Commission to develop a mandatory, comprehensive certification scheme, applicable to biofuels both produced within and imported to the EU, which should take into account both achieved net greenhouse gas savings and a full cycle analysis; believes that the certification criteria should be designed to ensure that the production of biofuels does not cause a loss in biodiversity or social problems such as rising food prices;
24. Believes that biofuels that do not fulfil such criteria should not be eligible for subsidies or

tax exemptions and should not count towards achievement of the biofuels target;

25. Instructs its President to forward this Resolution to the Council and the Commission and the Member States.

EXPLANATORY STATEMENT

Roadmap for renewable energy

The EU is at a turning point. Conventional energy resources are about to run out while we are experiencing an increasing dependency on imports and climatic changes which researchers predict will have dreadful consequences for the inhabitants of both industrialised and developing countries.

The rapporteur's key message in this report is the importance of creating the right framework for this new European venture. Renewable energy cannot therefore be seen as separate from the other targets relating to implementation of an internal market for electricity, achievement of an energy efficiency potential of 20% and revision of the CO₂ emissions trading scheme. All these targets are interconnected and the primary concern therefore is to ensure that we achieve the proper legislative framework and compel the Member States to implement already adopted legislation and decisions. We must guarantee a long-term perspective that encourages investors to become involved in this huge venture. These are the preconditions that need to be met so that we can achieve our political objectives of greater security of supply, reduction of CO₂ emissions and creation of new jobs in the EU. Yet, at the same time, we must develop an energy policy that is based on solidarity with the developing countries where 1.6 bn people have no access to energy. The energy sector can no longer be regarded only as a supplier of energy but must also be a joint player in resolving the problems involving the environment, climate and security of supply.

National Action Plans

The rapporteur backs the Commission's proposal that it must be laid down in National Action Plans how great a proportion of renewable energy is to be achieved by the individual Member State. However, there are pitfalls with this approach which it is important to be aware of when framing and implementing the individual plans:

(1) A common European energy policy

Firstly, it is important to emphasise that national targets must not overshadow the overriding ambition of developing a common European energy policy. First and foremost, it is important for us to create and expand the common European legislative framework for renewable energy and for meeting Europe's climate and energy targets. This means that the Commission proposal for a legislative framework for renewable energy must include revision of the directive on electricity from renewable energy sources, revision of the directive on biofuels and a proposal for a legal framework for renewable energy in the heating and cooling sector. At the same time, existing directives for actual implementation of the internal market in electricity must be enforced; see also below.

(2) Fair burden sharing

Secondly, the major challenge must be to ensure that *all* Member States contribute to achievement of the ambitious targets of 20% renewable energy and 20% energy efficiency by 2020. So far, only a few extremely active Member States have contributed to the development of renewable energy in the EU. The rapporteur believes, therefore, that it is essential that the

Commission be given a central role in the coordination, quality assurance and monitoring of the efforts of the various countries. In addition, Member States should be required to submit regular reports so that the Commission can intervene on an on-going basis if individual Member States do not live up to their obligations.

The Commission must be able to verify the validity of National Action Plans and be entitled to reject them where there is insufficient documentation for the development of renewable energy in relation to the national targets and where it is not clearly documented what operators are expected to carry out such developments and from where the financing of the necessary investment is to come.

It is the rapporteur's proposal that the burden must be shared in the light of the objective potential for renewable energy in the various countries. If a country has an Atlantic coastline, there is great potential for wind energy; for countries in southern Europe, there is great potential for solar energy; if a country has substantial water power, there is great potential for balancing fluctuating energy and, where the use of biomass has not been optimised, there is great potential for biomass. It should not therefore be argued that, just because a country has a lot of renewable energy, it can get off more cheaply if there is still ample potential for more renewable energy. It is important, therefore, to ensure that technologies are adapted to local circumstances.

The rapporteur is concerned at the attitude of certain Member States that special heed should be paid to countries with a low carbon energy mix. The purpose with adopting renewable energy targets must be to promote renewable energy and not low carbon energy sources in the broad sense. The advantages of renewable energy for Europe are not only about reducing CO₂ emissions but just as much about the fact that this is energy which the EU can produce itself and thereby both reduce import dependency on energy and help create jobs and growth in Europe.

There is particular reason to be alert to the consequences of a possible reduction in the relevant obligations to below 20% for the largest Member States. Should this be decided, for example, for the five largest countries it will mean - since they account for no less than 60% of energy consumption - that a quite disproportionately large proportion of renewable energy will be required of the remaining countries in order to achieve an overall target of 20% in the EU.

(3) Methodology for calculating the contribution from renewable energy technologies

There is a particular problem with regard to the statistical methodology for calculating the contribution from the various renewable energy technologies. The method employed by Eurostat for calculating the contribution from the various renewable energy technologies means that, as pointed out by the Commission in 'Renewable energy roadmap', electricity derived from wind power and solar energy is penalised in relation to electricity derived from biomass. This is because the contribution from biomass is calculated on the basis of the energy content of the biomass before it is converted to electricity by combustion in a power station. The conversion process involves a significant loss of approx. 60% which is not deducted when calculating the contribution of biomass. Wind power and solar energy are calculated on the basis of the energy content of the electricity generated. The fact that the

conversion loss is not included gives biomass an unfair advantage over wind and solar energy. This disadvantageous situation is a special problem for those countries with a particularly large share of wind power or solar energy in their electricity production. This problematical issue must be dealt with in connection with the Commission submitting its proposal for a directive on renewable energy.

A last point concerning the National Action Plans is the rapporteur's concern whether the Commission, and DG Tren in particular, have enough staff to tackle this huge task of implementation and monitoring. Parliament must make the strongest possible appeal for recruitment of the necessary staff to ensure that the grand targets and plans are not abandoned in a vacuum where nothing is implemented.

The internal market

It is essential for attainment of the target of 20% renewable energy that better conditions of access to the transmission grid be created for electricity from renewable energy sources.

This requires a properly functioning internal energy market with open, non-discriminatory and effective access for renewable energy to the grid which must at the same time be sufficiently developed to be able to cope with large quantities of electricity from renewable energy sources. The rapporteur believes that separation of ownership of the responsible transmission system operator (TSO) from commercial activities will be the best guarantee that there will be no discrimination against renewable energy producers in terms of access to the grid.

Support schemes

Although the rapporteur believes that harmonisation of support schemes at European level is the ultimate objective, it is not her view that the market at this stage is ready for this step. On the one hand, it is important that we should first ensure full implementation of the internal market in electricity and a fair and level playing field for electricity from all energy sources and, on the other hand, it is important that we should arrive at a system that ensures technological diversity so that the technologies which are still only at the experimental stage but which have long-term potential are not squeezed out of the market prematurely.

Establishment of an internal market for renewable energy will also require the differing qualities of renewable energy to be taken into account particularly in terms of the difference between combustible and generated energy; see the methodology issue referred to above. Otherwise, countries with huge potential for biomass on the one hand or for solar or wind energy on the other will have markedly different market advantages.

The transport sector and renewable energy

The rapporteur agrees with the Commission's assessment that biofuels at the present time provide a major opportunity for introducing renewable energy in the transport sector. At the same time, however, the rapporteur feels it is important to emphasise the need for a comprehensive approach to be adopted towards the transport sector so that the growing focus on biofuels does not diminish the pressure on the sector for the development of more efficient cars and for political objectives concerning the expansion of public transport and the switch

from road to rail and waterborne transport.

A system needs to be introduced that encourages the most viable biofuel technologies, e.g. through certification. The system should include both a CO₂ audit and an energy audit as well as other environmental impacts, e.g. reduced biodiversity. It must ensure that there are effective incentives in place to encourage the technologies that have the best CO₂ and energy audits. At the same time, it is important that the development of a certification scheme should not act as a technical barrier to trade with third countries. The rapporteur does not believe that the intention behind promoting biofuel is to create a new system of agricultural aid in the EU by, for example, keeping competitors from third countries out of EU markets. We must not rerun a protectionist policy in deference to narrow sectoral interests. We ought to monitor closely the trend of food prices and ensure that there are appropriate incentives to ensure that the production of biofuels does not entail increases in food prices that impact adversely on the populations in developing countries.

The social dimension

The rapporteur believes it is important that the social dimension of energy policy should at all times be included in line with the environmental dimension, the security policy considerations and the economic perspectives. Energy must be accessible to all so the introduction of renewable energy must not entail price increases that make it impossible for the individual consumer to purchase heating or electricity. It cannot be assumed that the market can resolve this issue so we must be ready to provide aid to the especially vulnerable categories in society who are particularly affected by rising energy prices.

At the same time, however, the rapporteur wishes to stress that the very emphasis on renewable energy in the EU will create opportunities for jobs and growth in outlying and poor regions as well. This development can help replace some of the jobs lost when industrial mass production is relocated away from Europe.