

Session II

Integrating Renewables into the Market – Opportunities and Obstacles

Committee on Industry, Research and Energy
Public hearing
„Clean Energy for All Europeans”



Brussels, 22nd
March 2017

RES target governance – what should be improved?

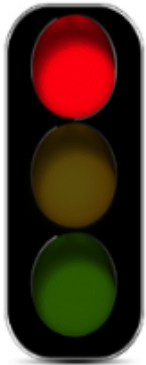


- 27% RES target for 2030 is binding at the EU level:
 - Member States contributions to the target **will be different** (different starting positions, resources and financial capabilities)



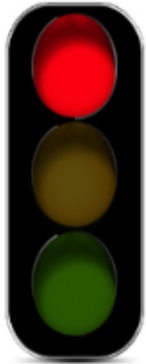
- Problem areas:
 - Linear trajectory
 - Financing platform
 - Cross-border participation
 - Electricity from biomass

Linear trajectory should not be mandatory



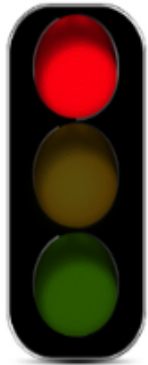
- The EC assumes that each Member State should adopt a linear trajectory of growth of renewable sources, or contribute to the financing platform
 - Investments in the energy sector **do not happen in a linear manner**
 - Especially those with **large impact** but **long planning time** – think offshore
 - Applying linear trajectory should not lead to a *de facto* reintroduction of binding national RES targets through the back door!
 - **Flexibility is key**

Financing platform – too little clarity



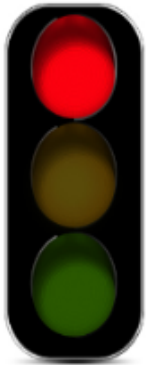
- Vague provisions – all powers to establish and manage the platform are to rest with the **European Commission** – with no scrutiny of either European Parliament or the Council
 - Supporting **RES projects outside of “donator” MS** won't solve the problem of delivery gap in particular MS
 - **Some MS will be benefiting from troubles of others** (a few MS probably won't reach the 2020 target)
 - There are already **Union-level financial instruments in place** – EFSI 2.0, EIB support

Cross-border participation: too much, too late



- **Mandatory opening of support schemes – 10% between 2021 and 2025, 15% between 2026 and 2030 – means making MS pay to support RES outside of their borders**
 - RES should be developed where it is most cost-efficient – the EU lost billions of euros by not following this principle
 - Right now it is too late to introduce this measure
 - **RES development in the future should be market based – no support needed!**
 - Also – let's not forget the interconnectors capacity as a limiting factor

Biomass is an important transition fuel – should not be discriminated against



- RED II excludes **electricity from biomass from contributing towards the RES targets** unless it is used in high-efficiency cogeneration
 - If it meets the **sustainability criteria** it should be counted towards the target regardless of type of generation
 - Biomass is **the most cost-effective way to decarbonise coal-fired generation** and therefore it should be promoted as a **transition fuel**.
 - It can provide the necessary **system services to complement intermittent renewables**

Further RES development requires availability of back-up

- Reaching the 27% EU RES target will not be possible without **predictable back-up conventional power generation**
- **The Emissions Performance Standard of 550 g/kWh for capacity markets should be removed from the package** – it goes against the Treaty, the principle of technological neutrality and it endangers security of supply



To end on a positive note... Saturday, March 18th

How much wind was in Europe's electricity on this day?



19.6% of European electricity demand was met by wind energy

COUNTRIES WITH THE HIGHEST SHARES OF WIND IN THEIR ELECTRICITY DEMAND

Wind power share and generation in each country's demand

- | | |
|---------------------------|----------------------------------|
| 1. Denmark: 70% = 59 GWh | 6. United Kingdom: 20% = 149 GWh |
| 2. Ireland: 56% = 41 GWh | 7. Poland: 18% = 78 GWh |
| 3. Germany: 53% = 688 GWh | 8. Netherlands: 17% = 49 GWh |
| 4. Austria: 20% = 36 GWh | 9. Italy: 16% = 112 GWh |
| 5. Romania: 20% = 33 GWh | 10. Belgium: 16% = 35 GWh |

Source:
WindEurope

Thank you!



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