



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0135/2013

28.3.2013

REPORT

current challenges and opportunities for renewable energy in the European
internal energy market
2012/2259(INI)

Committee on Industry, Research and Energy

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on current challenges and opportunities for renewable energy in the European internal energy market

(2012/2259(INI))

The European Parliament,

- having regard to the Commission communication entitled ‘Renewable Energy: a major player in the European energy market’ and the related working documents (COM(2012)0271),
- having regard to Article 194(1) of the Treaty on the Functioning of the European Union,
- having regard to the Commission Communication on the Energy Roadmap 2050 (COM(2011)0885),
- having regard to Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC¹,
- having regard to the Staff Working Document accompanying the proposal for Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources (SEC(2008)0057),
- having regard to Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency²,
- having regard to Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC³,
- having regard to Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC⁴,
- having regard to Rule 48 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 International Trade, the Committee on the Environment, Public Health and Food Safety, the Committee on Regional Development and the Committee on Agriculture and Rural Development (A7-0135/2013),

¹ OJ L140, 5.6.2009, p. 16.

² OJ L326, 8.12.2011, p. 1.

³ OJ L211, 14.8.2009, p. 55

⁴ OJ L211, 14.8.2009, p. 94.

- A. whereas the share in Europe's energy mix accounted for by renewable energy sources (RES) is growing in the short, medium and long term, and whereas RES make a significant contribution to guaranteeing a secure, independent, diversified and low-emission energy supply for Europe;
- B. whereas the Europe-wide energy-supply potential of RES has not yet been exhausted;
- C. whereas the growing share of the European energy mix accounted for by RES makes the expansion of the existing grid and IT infrastructure essential;
- D. whereas the diversification of our energy mix relies on a vast array of renewable energy technologies (hydropower, geothermal, solar power, marine, wind, heat pump, biomass, biofuel) offering different services in the form of electricity, heating and cooling as well as transport solutions;
- E. whereas energy policy must, at all times, reflect a balance between the aims of supply security, competitiveness and economic and environmental viability;
- F. whereas the EU currently depends on energy imports for more than half of its final energy consumption;
- G. whereas one of the aims of European Union energy policy – in a spirit of solidarity among the Member States, as part of the creation of the single market and in accordance with the need to conserve and improve the environment – is to promote the development of new and existing renewable forms of energy;
- H. whereas the completion of the internal energy market by 2014 should facilitate new and more market participants, including from of a growing number of SMEs producing renewable energy;
- I. whereas liberalisation and competition have played a pivotal role in bringing down energy prices for all EU consumers;
- J. whereas, under the terms of the EU Treaties, the Member State's right to determine the conditions for exploiting its energy resources, its choice between different energy sources and the general structure of its energy supply falls within the competence of the Member States, although improved cooperation and communication are nevertheless essential; whereas the Commission's Energy Roadmap 2050 concludes that any scenario of Europe's energy system requires a substantially higher share of renewable energy;
- K. whereas, according to estimates , the EU is on track to achieve its target of a 20% share for RES in the energy mix by 2020;
- L. whereas in recent years technological advances have been made in the area of energy generation from RES, and whereas the European Union is a world leader in this area;
- M. whereas the economic crisis and the debt crisis in Europe have not yet been overcome and major challenges have to be faced in terms of public budgeting and investor confidence; whereas the crisis should be used as an opportunity to make the necessary

- investments in clean technologies in order to generate employment and economic growth;
- N. whereas, in Europe's liberalised energy markets, the growth of renewable energy depends on private investment, which in turn relies on the stability of renewable energy policy;
- O. whereas investors require security and continuity for their projected investments beyond 2020;
- P. whereas energy consumption must be reduced and efficiency of energy production, transmission and use must be increased;
- Q. whereas renewable heating and cooling technologies have a key role to play in the decarbonisation of the energy sector;
- R. whereas the Energy Roadmap recognises that gas will be critical in the transformation of the energy system, providing both variable load and baseload to support renewables;
- S. whereas the Commission has calculated that optimal trade in renewables could save up to EUR 8 billion per year;
- T. whereas existing legal instruments on forest management set up a sufficient framework to provide the proof of sustainability of forest biomass produced within the European Union;

Getting the benefit of renewables

1. Agrees with the Commission that RES, together with energy efficiency measures and flexible and smart infrastructure, are the 'no regrets' options identified by the Commission and that RES in the future will account for a growing share of energy provision in Europe, for electricity supply, for heating (which makes up nearly half of the total energy demand in the EU) and cooling and for the transport sector, and that they will reduce Europe's dependence on conventional energy; adds that targets and milestones should be set for the period to 2050 in order to ensure that RES have a credible future in the EU; recalls that all scenarios presented by the Commission in its Energy Roadmap 2050 assume a share of at least 30% RES in the EU's energy mix in 2030; suggests, therefore, that the EU should endeavour to achieve an even higher share; calls on the Commission to assess the costs and benefits of introducing a mandatory EU-wide RES target for 2030, the mutually interacting effects with other potential climate and energy policy targets, in particular with a GHG emission reduction target, as well its impact on the competitiveness of EU industries, including the RES industrial sectors;
2. Emphasises that renewable energies not only contribute to addressing climate change and increase the energy independence of Europe but also offer significant additional environmental benefits through the reduction of air pollution, waste generation and water use, as well as of further risks inherent to other forms of power generation;
3. Emphasises that safe, secure, affordable and sustainable energy provision is indispensable for the competitiveness of European industry and the economy; emphasises that approximately half of the power plants in the EU need to be replaced in the coming

decade and that the energy supply system needs to be modernised and made more flexible to accommodate the expected growing share of RES; highlights that the share of RES in electricity, heating and cooling and transport needs to be increased in a manner that is cost-efficient, taking into account the benefits and full costs of RES, including system costs, while safeguarding supply security; acknowledges the increasing competitiveness of renewable energy technologies and stresses that RES and clean-tech related industries are important growth drivers for Europe's competitiveness, representing an enormous job creation potential and making an important contribution to the development of new industries and export markets;

4. Notes that the more intensive development of RES in the Member States is likely to lead to increased use of biomass, which will in turn necessitate the framing of detailed sustainability criteria for gaseous and solid biomass;
5. Points out that, within the RES sector, the current and expected contribution of biomass and of other controllable energy resources should be made more visible to stakeholders in order to foster a fair and balanced decision-making process;
6. Calls on the EU to guarantee that the promotion of renewable resources in the production and use of energy will not jeopardise food security, high-quality sustainable food production or agricultural competitiveness;
7. Notes that a number of elements of the food system are vulnerable to higher energy costs and that this could have adverse effects for producers and consumers;
8. Recognises that the potential for reducing carbon dioxide emissions by increasing the use of biomethane in vehicles for short and long distances, particularly in heavy duty vehicles, and the use of electricity in vehicles for short distances within cities, is significant;
9. Is convinced that waste recovery represents an opportunity for further developing RES and achieving the goals of a European energy plan;
10. Notes that some renewable energy sources, such as geothermal energy, can provide heat and power locally and continuously; takes the view that such local sources of energy increase energy independence, including for isolated communities;
11. Emphasises that sustainable hydropower in all its forms helps achieve the objective of a renewable energy supply in future and, in addition to generating energy, serves a number of other useful purposes, including flood prevention and helping to ensure a safe supply of drinking water; calls on the Commission and the Member States to raise public awareness of the multiple benefits of hydropower;
12. Calls on the Commission and the Member States to pay more attention to the untapped potential of RES in the heating and cooling sector and to the interdependencies between and opportunities arising from increased renewable energy use on the one hand and the implementation of the Energy Efficiency and Buildings Directives on the other;
13. Draws attention to the potential savings to be made by taking account of the passage of

the sun through Europe's different time zones when developing RES;

14. Notes that the Member States, within the framework provided by the EU Renewable Energy Directive 2009/28/EC, are currently acting independently in promoting RES within national administrative frameworks that differ widely, and that this is exacerbating their uneven development, while the potential for developing renewables varies on account of technical, non-technical and natural circumstances, given the differing regional competitive advantages; points out that a functioning internal market could contribute to compensating RES variability and the uneven distribution of natural assets; believes that most areas can make contributions to the deployment of RES; notes however, the need to incentivise investment in RES where they have the greatest potential, in order to ensure efficient use of public funding;
15. Notes that levels of public and political acceptance of renewable energy differ, as they do for most other types of energy generation and infrastructure; notes that the availability of public and private financing to promote RES varies widely; stresses that access to capital for investments is a crucial factor in the further deployment of renewable energy, especially in light of the financial crisis, which has led to a large capital spread for investors; believes that, where market imperfections exist or where producers face limited opportunities to secure market-based financing, access to more capital for RES should be facilitated; suggests that the Commission should explore with the European Investment Bank and national institutions possibilities for innovative financial instruments to finance renewable energy projects, while carbon markets should do their part in incentivising investments in RES projects;
16. Notes that, so far, some renewables on the energy market are economically competitive, while other technologies are closing the gap with market prices; agrees with the Commission that all appropriate, financially sustainable means must be used to bring the costs down to further enhance the economic competitiveness of RES;
17. Believes there is a need to phase out subsidies that damage competition and also those that support environmentally harmful fossil fuels;

Renewable energy on the European internal energy market

18. Notes that the internal market in gas and electricity is to be completed by 2014 and will be crucial for RES integration to serve as a cost-effective means to balance variable electricity production; welcomes the Commission's report on the state of progress as regards completion of the internal energy market and implementation of the third package; calls on the Commission to use all the instruments available, including the referral of Member States to the Court of Justice, to bring the internal energy market closer to completion as quickly as possible; calls on the Commission to tackle inappropriate market concentration where it hinders competition; calls on the Member States to continue with the full implementation of the internal energy market legislation and the development of interconnections, as well as the elimination of energy islands and bottlenecks;

19. Notes that, as a result of disparities between national market features, different potentials and different stages of technology patterns and maturity, a wide variety of different schemes for promoting RES currently coexist within the Union; stresses that this variety exacerbates the problems for the internal energy market, for instance by creating inefficiencies in cross-border electricity trading; welcomes guidance from the Commission on support scheme reform;
20. Notes that those who will benefit most from completion of the internal energy market are the consumers; supports the Commission's view that competition needs to extend to renewables, when they become mature and economically viable, as well as all other energy sources because it is the best stimulus to advances in innovation and price reductions, thereby preventing an extension of energy poverty; underlines that the persistence of regulated prices at the retail level jeopardizes the capability of consumers to fully exercise their choices;
21. Notes that the cooperation mechanisms introduced by Directive 2009/28/EC on the promotion of the use of energy from renewable sources have, to date, not yet been very much used, but that a number of cooperation schemes are being planned; points to the Commission's findings indicating that better use of the existing scope for cooperation could bring considerable benefits, such as boosting trade; welcomes the Commission's declared intention to draw up guidelines on cooperation within the EU, which set out how the cooperation mechanisms should work in practice and outline the challenges involved and ways of tackling them; calls on the Commission to ensure that EU guidelines are implemented by the Member States; calls on the Commission to include and interpretation of Art. 13 of the RES directive (2009/28/EU) to ensure that Member States implement the directive correctly and prevent public authorities from using certification and licensing procedures in a manner that distorts competition; calls on the Member States to subsequently make better use of the cooperation mechanisms where appropriate and also increase communication between one another;
22. Welcomes that forecasting methods for wind capacity to be available on the intra-day markets have improved, allowing for a better integration of electricity from variable RES; equally welcomes the new network codes required by the 3rd internal energy market package currently being developed by the relevant actors leading to stabilised frequency, thus also contributing to a better integration of RES produced electricity;
23. Emphasises that appropriate market arrangements must facilitate the progressive integration of RES into the energy system and the European internal energy market in all the Member States without delay and that in the long term different types of RES, in accordance with their intrinsic characteristics and capabilities, must take on stabilising functions and tasks within the system that have previously been performed by conventional energy sources; stresses that promising examples of such markets exist in the EU; calls, in that connection, for greater account to be taken, in planning and implementation, of the positive and negative and direct and indirect side effects of RES, in particular with regard to existing infrastructure, such as transmission and distribution systems and the environment, biodiversity and nature conservation; calls on the Commission and the Member States to raise public awareness of the potential effects of the various RES technologies;

24. Calls on the Commission to consider, based on a cost-benefit analysis, what impact existing environmental law, such as the Water Framework Directive or the Birds Directive, will have on the development of RES;

Infrastructure requirements

25. Notes that in certain cases, renewable sources feeding energy into the grid are decentralised, remotely located, weather-dependent and variable and thus require infrastructure different from that currently in place, which has been developed solely for conventional energy; stresses that this modernisation of the energy grid needs to accommodate the changes in production, transmission, distribution and balancing technologies as part of the overall energy system; underlines that some renewable energy sources can also balance variable energy sources and therefore alleviate the need for additional grid infrastructure; stresses that infrastructure development is urgent and critical for the success of the single market and for the integration of renewable energy; notes that implementation of the energy infrastructure package is crucial in this respect, in particular for speeding up the construction of new infrastructure with cross-border impact; emphasizes that authorisation procedures for energy infrastructure projects must be speeded up;
26. Points out that there are many renewable energy generation sites that are not being used to their intended capacity because the grid is unable to receive power generated in this way;
27. Notes that, in order to guarantee supply security, the development of RES with variable feed-in will necessitate a flexible balancing of fluctuations and a flexible back-up through an integrated and interconnected European electricity grid that allows cross-border trading, demand response systems, energy storage and flexible power plants; calls on the Commission to assess whether there is a capacity issue in the EU and to determine the amount of firm capacity that can be provided by variable RES in an integrated EU power system, as well as its potential impact on generation adequacy; agrees with Commission's analysis that the development of reserve capacity mechanisms entails substantial costs and may distort price signals; notes that there is an increasing need for a stable policy framework to provide economic guarantees concerning the availability of these reserves as well as for system and balancing services; rejects the concept of competition for subsidies between energy sources and calls for an energy market design tailored to the Union's long-term energy and climate policy objectives, which makes it possible to integrate RES technologies into the internal energy market, but acknowledges that state aid has historically been necessary in the development of all energy sources;
28. Emphasises the importance to the cost-efficient deployment of renewables of a supergrid and of the North Sea offshore grid; highlights in this regard the importance of the North Sea Countries' Offshore Grid Initiative (NSCOGI), at a time when over 140 GW of offshore wind projects have been announced; calls on the Member States and the Commission to give additional impetus to NSCOGI;
29. Recalls that investment in renewable energy sources represents more than half of all investments in new generation capacity over the last ten years and will continue to grow; emphasises that according a large share of the energy mix to RES entails major

challenges for existing network infrastructure, and that investment is necessary to overcome these challenges; notes that, in certain Member States in which the increased feed-in from RES was not accompanied by the development of energy infrastructure, supply security is challenged by such increased feed-in; emphasises that according to ENTSO-E a significant proportion of all the bottlenecks in European energy grids relate to feed-in from RES; emphasises the importance of implementing new approaches to overcome bottlenecks in the distribution grids, which do not always entail grid extension and reinforcement; is confident that the benefits of upgrading the European grid, which is equally due to the single electricity market, can offset its costs by offering a much more efficient operation of the EU's power system; calls on the Transmission System Operators to update their grid development policies in order to cope with the integration of RES generation capacities while maintaining security of supply, and to enhance cooperation with distribution system operators;

30. Notes that many of the best and most competitive locations for RES in the EU are at a considerable distance from the centres of energy consumption, which makes the optimum use of such locations contingent on the development of transmission and distribution systems and reinforcement of cross-border interconnections; notes also the advantages of decentralised renewable energy supply close to consumption centres; stresses that this can lead to cost reductions, reduce the need for grid extension and avoid congestions when adequate infrastructure is in place; points out that the Commission should facilitate the development of adequate modelling tools to define the optimal mix of distant, large scale generation plants and distribution level installations; stresses the potential of an integrated approach for the energy system that would cover both heat and electricity demand and supply; notes also the potential of local RES production such as micro generation or cooperatives by citizens jointly investing in the production and supply of renewable energy, such as geo-thermal heating and solar power, as mentioned in the Commission Communication;
31. Notes that insufficient network capacity and storage facilities and a lack of cooperation between transmission system operators can add to uncoordinated cross-border energy flows (loop flows) and could cause serious emergencies in other Member States, thus making load reduction increasingly necessary in the interests of supply security, if it does not go hand-in-hand with the requisite optimisation (e.g. temperature line monitoring) and development of the grid in those Member States; is concerned about the state of development and maintenance of grid infrastructure in the Member States; calls on the Member States to press ahead as quickly as possible with the development of transmission and distribution systems and to encourage greater cooperation between transmission system operators;
32. Asks the Commission to elaborate a short-term loop-flow compensation mechanism providing affected Member States with a fair cost-sharing methodology until necessary grid developments and the flow-based market coupling are completed;
33. Underlines the potential of smart grids, demand side management tools and energy storage solutions, both to facilitate the best possible integration of RES-E and to even out grid fluctuations; re-emphasises the urgent need for further research into, and deployment of, electricity storage including on the basis of cooperation with pumped-storage

hydroelectric plants; notes in particular the need for further research into variable-speed storage options, which offer a more flexible system for controlling storage speeds and thus facilitate faster and better-matching connections; calls on the Member States to avoid imposing a double tax burden on electricity storage operators;

34. Considers that cross-border markets for electricity balancing services must be created and that the European transmission system must be developed quickly to facilitate the cross-border integration of pumped-storage hydropower, particularly in Scandinavia, the Alps and the Pyrenees;
35. Emphasises that hydropower must play a central role in the planned development of RES, primarily to balance out the increasingly volatile generation of power by RES but also, through pumped storage, as a method of storing electricity; stresses, therefore, that the existing development potential of hydroelectric power generation and pumped storage in the EU must be fully exploited;
36. Recognises that gas infrastructure will play an important role in the development of renewable energy across Europe; points out that biogas, as a renewable energy, can easily be fed at present, as biomethane, into the existing gas grid infrastructure and that new technologies such as ‘power to hydrogen‘ and ‘power to gas‘, will further benefit the future low-carbon economy framework, making use of existing and new infrastructures that should be promoted and developed;
37. Takes the view that ICT will in future contribute to managing energy supply and demand and make consumers more active in this market; calls on the Commission to bring forward without delay proposals, in line with the third internal energy market package, for the development, promotion and standardisation of smart grids and meters as this will increasingly allow the involvement of more market participants and boost potential deployment, development and maintenance synergies throughout the telecommunications and energy networks; calls on the Commission to give particular support to research and development in this sector; emphasises that important factors in this regard include not only planning certainty on the providers‘ side but also acceptance by consumers, who should be the main beneficiaries of smart meters and whose data protection rights need to be ensured in accordance with the new data protection directive; urges the Commission to carefully evaluate the cost and benefits of smart-meter-rollout and their impact on different consumer groups; acknowledges that consumer engagement is vital for the success of smart-meter roll-out;
38. Notes that the ICT sector itself, being a major consumer of electricity with data centres in the EU accounting for up to 1.5 % of total electricity consumption and consumers being increasingly aware of the carbon footprint of IT and cloud services they use, can become a role model for energy efficiency and RES promotion;
39. Points out that, in some regions, especially small communities and islands, the deployment of windmills and photovoltaic panels has met with public opposition; points out that windmills and photovoltaic panels are perceived to have an adverse effect on tourist industries and on the nature and form of countryside/island landscapes;
40. Emphasises that, where citizens own renewable production through cooperative or

community-owned models. there is an increase in social acceptance, which reduces planning time for implementation and promotion of a greater public understanding of the energy transition;

41. Emphasises that the further development of RES, and the building of all other energy generation facilities and infrastructure, entails landscape change in Europe; insists that this must not result in ecological damage, including in Natura 2000 sites and protected landscape areas; points out that public acceptance of RES infrastructure can be won through transparent and coordinated planning, as well as construction and licensing procedures with mandatory and timely public consultation, in which all stakeholders are involved from the outset, including at the local level; stresses that the participation of citizens and stakeholders, such as in cooperatives, can help to win public support as can communication about the potential benefits for local economies;

Empowering consumers

42. Sees the need for further action to increase the social acceptance of renewable energy sources; states, at the same time, that an effective action to this end would be to establish a holistic approach to the producer/consumer – or ‘prosumer’ – who would be able to manage the process of energy generation;
43. Recognises the importance of small-scale RES for increasing the share of renewable energy sources; recognises that the deployment of small-scale RES represents an opportunity for single households, industries and communities to become energy producers, thus acquiring awareness of efficient ways to produce and consume energy; highlights the importance of microgeneration for increasing energy efficiency; emphasises that small-scale RES deployment can lead to substantial savings on energy bills and to the creation of new business models and jobs;
44. Notes, in this regard, the importance of stimulating local cooperatives for renewable energy in increasing citizens’ participation, increasing accessibility of renewable energy and generating financial investments;
45. Stresses that a clever combination of small-scale RES, storage, demand-side management and energy efficiency can lead to decreased use of local grids during peak load times, thus decreasing the overall investment costs borne by distribution system operators;
46. Notes that a prerequisite for efficient local consumption and production of energy, from a prosumer and distribution-grid perspective, is the roll-out of smart meters and more generally of smart grids;
47. Welcomes the Commission’s announcement that it will issue a communication on energy technologies and innovation focusing on micro-generation;
48. Considers that EU regional policy has a key role to play in promoting renewable energy production and energy-efficiency on a Europe-wide scale, as well as in the field of electricity services and energy transport services; welcomes the fact that the cohesion and regional policy input intended to encourage renewable energy use has continued to expand step by step with the aim of ensuring that RES fully contribute to the EU energy

policy goals and that the EU energy objectives are implemented EU-wide; considers it particularly important for the direction of European policy to be such as to enable the funding rate to be sufficient in the coming period 2014-2020;

49. Supports a multi-level governance and decentralised approach to energy policy and renewables, which should include, among other things, the Covenant of Mayors and the further development of the Smart Cities initiative, as well as the promotion of the best solutions at regional and local level by means of information campaigns;
50. Observes that agriculture and rural areas have the potential to provide a significant proportion of renewable energy production, and takes the view, therefore, that the new policy on agriculture and rural development should promote the production of renewable energies;
51. Acknowledges the importance of promoting and encouraging the development of on-farm sources of alternative energy, especially on a small scale, and of disseminating the relevant methods to farmers and consumers alike;
52. Emphasises the contribution that cooperation among farmers might make to a successful outcome for the policy for promoting renewable resources;
53. Calls on the European Investment Bank to create rolling funds, through financial intermediaries, to provide the necessary start-up capital, and technical support, for farm-based and community-owned micro- and small-scale schemes for electricity and heat generation from renewables, the profits of which can be re-invested in additional schemes;

International cooperation and trade

54. Recalls that the EU's trade deficit arising from fossil fuel imports is set to increase in the coming years, and that dependence on fossil fuel imports entails ever-growing political, economic and environmental risks; underlines in this respect the role domestic renewable energy sources play in terms of security of supply and re-establishing a positive trade balance with oil and gas exporter countries, and therefore stresses that these should play a larger role in achieving the EU's energy security;
55. Recognises that world markets for RES are growing and that this will have a positive impact on the European industry, job creation, prices and on the further development of existing and new technologies globally and in the EU, provided that the EU's political and regulatory framework for RES remains predictable and helps clean businesses to keep their competitive advantage and lead vis-à-vis their global counterparts; acknowledges non-OECD countries as important trading partners due to their major RES-potential;
56. Emphasises that the unlawful distortion of competition on the market is unacceptable, as it is only through fair competition that the EU can be assured of a reasonable level of prices for RES-technologies; calls on the Commission to bring ongoing proceedings on unfair practices to a conclusion as quickly as possible; emphasises that the best conditions for the growth of RES are offered by free and open global markets; underlines the need to

do more to dismantle barriers to trade; calls on the Commission not to create any new obstacles to trade in finished products or components used in renewable energy technologies; calls on the Commission to take action to remedy obstacles to trade, to safeguard fair competition, to help EU companies to access non-EU-markets and to tackle alleged trade distortions, including with regard to illegal state aid;

57. Urges the Commission also to actively monitor the use of unjustified non-tariff barriers (NTBs), subsidies and dumping measures by the EU's trade partners in this area;
58. Calls on the Commission to take note of the WTO's Information Technology Agreement and to investigate the possibilities for the initiation of an Environmental Technology Free Trade Agreement, which would establish tariff-free trade in environmental technology products;
59. Stresses that this strategy should also encourage trade facilitation in order to support the efforts of developing countries in this particular field and allow the use of renewables as trade commodities;
60. Stresses that trade has an important role to play in ensuring that renewable energy is produced and financed sustainably; recalls that imported bioenergy and agrofuels should comply with EU sustainability criteria and that the latter need to be clearly defined; to this end, encourages the Commission to introduce indirect land use as an additional criterion; recommends that trade agreements should contain provisions to address the issues of deforestation and forest degradation and should incentivise the sound management of land and water resources; encourages the Commission to continue negotiating voluntary partnership agreements (VPAs) with the relevant third countries to prohibit illegal logging;
61. Underlines the need for closer cooperation on energy policy, including in the field of renewable energy, with the EU's neighbouring countries, and the need to exploit the trading potential of renewables more effectively; stresses the need for adequate infrastructure that facilitates cooperation, both within the EU and with neighbouring countries; stresses that cooperation on renewables should incorporate the relevant EU-policy objectives; emphasises that, in the Mediterranean region in particular, there is great potential for electricity generation from RES; highlights the potential of non-domestic projects, such as Desertec, Medgrid and Helios, and of the further development of hydropower in Norway and Switzerland, including its potential for balancing purposes; highlights also the significant local added-value of such large RES projects;
62. Stresses that international cooperation needs to be based on a sound regulatory framework and the Union *acquis* on renewables, such as within the Energy Community, in order to increase the stability and reliability of such cooperation.
63. Calls for coordinated action with other technological leaders (US and Japan) to deal with emerging challenges, such as the shortage of raw materials, rare earths, that affect the deployment of renewable energy technologies;
64. Emphasises the need for the EU to develop close scientific cooperation and a clear policy for research and innovation collaboration in the field of RES with international partners,

particularly the BRICS countries;

Innovation, R&D and industrial policy

65. Notes that Europe needs to make efforts in its industrial and R&D capacity to remain in the vanguard when it comes to RES technology; emphasises the need to facilitate a competitive environment for the operations and internationalisation of SMEs and to strive to reduce bureaucratic obstacles in such efforts; stresses that only innovation, based on R&D, can secure Europe's leading position in RES technology markets; stresses private investors' need for certainty; calls on the Commission to foster an industrial strategy for energy technologies, including, in particular, renewable energy technologies, to ensure that the EU's leading position in energy technologies and in particular in the field of renewable energies is maintained;
66. Underlines the EU industry's leadership in onshore wind technologies and the great potential of the European offshore wind industry to contribute to a re-industrialisation of the Member States bordering the Baltic and the North Seas;
67. Stresses that educational institutions capable of producing skilled labour force and the next generation of scientists and innovators in the area of RES technologies is a key priority; recalls, in this connection, the important role of Horizon 2020 and the European Institute of Innovation and Technology in bridging the gap between education, research and implementation in the renewable energy sector;
68. Attaches particular importance to cooperation between European patent-protection mechanisms in the field of renewables, with a view to facilitating access to valuable and untapped intellectual property; stresses the need to activate as a matter of priority the projected European patent in the field of renewables;
69. Believes that targeted R&D through existing instruments needs to be made more effective and is concerned that R&D has been neglected in certain branches of the renewable energy sector, leading, in some cases, to commercial problems; underscores the need for investment in the further development of innovative, emerging and existing technologies as well as system integration between transport and energy in order to sustain or achieve competitiveness and to ensure that existing technologies remain sustainable throughout their life-cycle; emphasises the need for investments in renewable energy R&D, particularly in the area of capacity, efficiency and reducing the spatial footprint;
70. Calls on the Commission and the Member States to invest in research based on the use of renewable energy with industrial applications, for example in the automobile sector;
71. Welcomes the Commission's announcement that it will issue a communication on energy technology policy in 2013; calls on the Commission, when implementing the relevant parts of the Strategic Energy Technology Plan (SET), to focus on technologies which improve the competitiveness of renewables and their integration in the energy system such as grid management, storage technologies or renewable heating and cooling, while not discriminating against proven RES technologies which have been used for many years;

72. Stresses that research is key to the development and affordability of new and clean technologies; believes that the SET Plan can make important contributions towards making renewable technologies affordable and competitive;

A European framework for the promotion of renewable energy

73. Emphasises that the Member States currently use a wide variety of promotion mechanisms; points out that this support has led to healthy growth, in particular when support schemes are well designed, but that some of the promotion systems have been badly designed and have proved insufficiently flexible to adjust to the decreasing cost of some technologies and have, in some cases, caused overcompensation, thereby placing a financial burden on consumers without their having had a choice in the matter; is pleased to observe that, thanks to the subsidies, some RES have managed to become competitive vis-à-vis conventional methods of energy production in certain areas, e.g. where geographical conditions favour them, where access to capital is good, where the administrative burden is the lowest or by economies of scale;
74. Emphasises that state influence and other factors, including fossil fuel prices, have had the effect of increasing the retail price of electricity for consumers and industry in certain Member States; points out that, in 2010, 22 % of households in the EU were worried about being able to meet their electricity bills and assumes that the situation in this regard has since worsened; stresses that energy should be affordable for all and that industry's ability to compete must not be affected; asks the Member States to take the necessary measures to ensure that low income customers are effectively protected, while raising public awareness of the potential of energy saving and energy efficiency measures; points out also that falling wholesale prices must be passed on to consumers;
75. Warns that pitching support at too high a level has the effect of over-compensating and thus of slowing technological progress and impeding market integration because it reduces the incentive to develop more innovative and better-value products; notes that the intelligent design of support mechanisms, allowing responses to market signals, is crucial to prevent over-compensation; believes that moving fast towards a system exposing producers to market price risk encourages technology competitiveness and eases integration into the market;
76. Is convinced that the Commission should support Member States in identifying the most cost-effective RES and the way to best realise the potential; recalls that cost-optimal policies differ according to demand pattern, supply potential and economic context at local level;
77. Welcomes the Commission's declared intention to draw up guidelines on good practice and the reform of national support arrangements; calls on the Commission to produce the guidelines as soon as possible to ensure that the different national schemes do not distort competition or create barriers to trade and investment within the EU, in order to encourage predictability and cost-effectiveness and avoid excessive subsidies; urges the Commission, in this connection, to ensure that the internal market *acquis* is fully respected by the Member States; is convinced that good practice guidelines are an important step to ensure a functioning single market for energy and believes the guidelines could be supplemented with an evaluation of the cost-effectiveness of current

national support systems, taking into account the different technologies they cover in order to ensure better comparability and coordination for the gradual and progressive convergence of national support mechanisms; is also convinced that implementation of these guidelines at Member State level will be crucial as they can help to avoid national support schemes being retrospectively amended or cancelled, which would send out disastrous signals to investors, as well as potentially causing severe economic distress to private citizens having invested in RES on the basis of such schemes; stresses that the implementation of these guidelines should be ensured by the Member States, and that special support arrangements for the development of local and regional resources should be allowed;

78. Regards it as essential, in view of the multiplicity of support arrangements in place in the Member States, to move the debate about greater convergence and a suitable European system of support for post-2020 forward; is convinced that in the long term a more integrated system for promoting RES at EU level, which takes full account of regional and geographical differences and existing supranational initiatives, and is part of a general effort towards decarbonisation, could help provide the most cost-effective framework for renewables and a level-playing field in which their full potential can be realised; notes that the existing Renewable Energy Directive allows governments to use joint support schemes; notes the evidence of experience in certain European countries that successfully demonstrates how a common approach in an integrated electricity market allows for mutually beneficial innovations between national systems; asks the Commission to assess, in the context of a post-2020 framework, whether an EU-wide mechanism for promoting RES would offer a more cost-effective framework in which their full potential could be realised, and how a progressive convergence could function;
79. Highlights the benefits of exchanges of best practice between Member States on support mechanisms; points out that the UK and Italy have recently announced a change in their support scheme from a quota system to a feed-in system, because evidence from similar geographic locations suggested that feed-in support models were less costly; calls on the Commission to include these aspects in its current analysis¹ and its upcoming guidelines proposal;
80. Proposes to build upon initiatives such as the joint support scheme implemented by Norway and Sweden in order to develop, where appropriate, regional joint support schemes on a step-by-step basis, around common energy markets such as the Nord Pool;
81. Calls on the budgetary authority to provide the Agency for the Cooperation of Energy Regulators (ACER) with the wherewithal to perform its duties and achieve the goals laid down in the regulation on wholesale energy market integrity, transparency and efficiency; notes that this is necessary in order to complete an integrated and transparent internal electricity and gas market by 2014;
82. Instructs its President to forward this resolution to the Council and the Commission.

¹ COM(2012)0271 and accompanying documents; SEC 2008/57; IEE Studies Reshaping (Quo(ta) vadis, Europe?

11.3.2013

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Industry, Research and Energy

on current challenges and opportunities for renewable energy in the European internal energy market
(2012/2259(INI))

Rapporteur: Yannick Jadot

SUGGESTIONS

The Committee on International Trade calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Stresses that the EU's policy on renewable energy has benefited its economy and has contributed to the creation of more than 500 000 domestic jobs¹; encourages the Commission to continue pursuing an ambitious but also structured and forward-looking approach to renewables which includes support mechanisms that are financed on a sustainable basis and are adaptable and suitable to the maturity of technologies, measures to boost technological innovation, integration of renewables in the energy market and in the energy mix, the transmission capacity needed, and the identification of new strategic areas; stresses that this strategy should also encourage trade facilitation in order to support the efforts of developing countries in this particular field and in order to allow for the use of renewables as trade commodities;
2. Stresses that the EU's support for the development of renewable energy should take place in the framework of an ambitious common industrial policy, which covers everything from research and development to financing, given that this is necessary to secure EU's leadership in this sector;
3. Notes that the leadership of the EU in renewable energy technology is currently being eroded, inter alia because of unfair trade practices on the part of some emerging economies; urges the Commission, therefore, to make strategic, swift and efficient use of

¹ Eurostat, 2010

trade defence instruments and of the WTO dispute settlement mechanism in order to counter such illegal practices, in close collaboration with the companies affected by them;

4. Urges the Commission also to actively monitor the use of unjustified non-tariff barriers (NTBs), subsidies and dumping measures by the EU's trade partners in this area;
5. Recalls the Commission's support for the local dimension of renewable energy production; concurs with the Commission that decentralised energy production has many benefits, including the utilisation of local energy sources while fostering community development and cohesion by providing income sources and creating jobs locally while reducing the dependency of certain regions of the EU on third countries' energy providers; stresses that if renewable energy is to fully unfold its potential, it is important to provide incentives for the use of local resources to the extent that is economically feasible, with public procurement playing an important role in this respect where necessary;
6. Stresses that trade has an important role in making sure that renewable energy is produced and financed sustainably; recalls that imported bioenergy and agrofuels should comply with EU sustainability criteria and that the latter need to be clearly defined; to this end, encourages the Commission to introduce indirect land use as an additional criterion; recommends that trade agreements should contain provisions to address the issues of deforestation and forest degradation and should incentivise the sound management of land and water resources; encourages the Commission to continue negotiating voluntary partnership agreements (VPAs) with relevant third countries forbidding illegal logging;
7. Recalls that the EU's trade deficit arising from fossil fuel imports is set to increase in the coming years, and that dependence on fossil fuel imports entails ever-growing political, economic and environmental risks; underlines in this respect the role domestic renewable energy sources play in terms of security of supply and reinstalling a positive trade balance with oil and gas exporter countries, and therefore stresses that these should play a larger role in achieving the EU's energy security;
8. Welcomes the pillar on international cooperation; recognises the potential represented by neighbourhood countries and notably the southern Mediterranean countries in terms of production of renewable energy; believes that the EU's proposed DCFTAs could be a useful means of integrating the countries of this region into the Union's energy market and of investing in their technological development in a way that is beneficial to the sustainability of their economies, on a basis of genuine cooperation;
9. Maintains that the Member States, working together with the Commission, must use energy and trade agreements with non-member countries to consolidate European policy goals for renewable energy development;
10. Believes that cooperation mechanisms and trade with third countries should be explored to make better use of the potential of renewables, and that this will involve an evaluation of the infrastructure requirements for the secure and efficient operation of national electricity systems, as well as of the costs for transit countries;
11. Maintains that the goal of closer energy cooperation, both within the EU and with neighbouring countries, needs to go hand in hand with the necessary energy infrastructure

development;

12. Points out that functioning fair and free trade can help to ensure that renewable energy sources and energy efficiency technologies will be adopted more rapidly and at lower cost;
13. Calls on the Commission to take note of the WTO's Information Technology Agreement and to investigate the possibilities for the initiation of an Environmental Technology Free Trade Agreement, which would establish tariff-free trade in environmental technology products;
14. Recalls the G20 agreement to phase out fossil fuel subsidies; calls on the Commission swiftly to put forward proposals for a timetable to phase out all fossil fuel subsidies granted by institutions such as export credit agencies that receive public support from the EU or from Member States;
15. Encourages the Commission to continue its efforts to reach an agreement on a post-Kyoto protocol which will establish a more level international playing field for European manufacturing industry;

16. Calls on the EU institutions and the authorities of the Member States to take account of the negative effects of a further deindustrialisation of the EU and the relocation of CO₂-intensive production to third countries when drafting future legislation, in particular regarding the reduction of CO₂ emissions in the EU

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.2.2013
Result of final vote	+: 24 -: 1 0: 3
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikiienė, Nora Berra, David Campbell Bannerman, Daniel Caspary, María Auxiliadora Correa Zamora, George Sabin Cutaş, Marielle de Sarnez, Christofer Fjellner, Yannick Jadot, Metin Kazak, Franziska Keller, Bernd Lange, David Martin, Vital Moreira, Paul Murphy, Godelieve Quisthoudt-Rowohl, Helmut Scholz, Peter Šťastný, Robert Sturdy, Henri Weber, Paweł Zalewski
Substitute(s) present for the final vote	Josefa Andrés Barea, Catherine Bearder, Syed Kamall, Jörg Leichtfried, Tokia Saïfi
Substitute(s) under Rule 187(2) present for the final vote	Paul Rübige

25.2.2013

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Industry, Research and Energy

on current challenges and opportunities for renewable energy on the European internal energy market
((2012/2259(INI))

Rapporteur: Zofija Mazej Kukovič

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises that renewable energies not only contribute to addressing climate change and increase the energy independence of Europe but also offer significant additional environmental benefits through the reduction of air pollution, waste generation and water use, as well as of further risks inherent to other forms of power generation;
2. Welcomes the fact that renewable energy is being developed in the Member States with a view to meeting their 2020 targets, set by the EU Renewable Energy Directive, and to strengthen the competitiveness of the EU; calls on the Commission to propose an ambitious and binding EU 2030 target for renewable energy in order to ensure continuity and stability;
3. Points out that the binding 2020 renewable energy targets have spurred the uptake of renewable energy in the EU and created a stable investment climate, giving the EU a competitive advantage in renewables that will strongly contribute to sustainable growth and job creation;
4. Points out that EU energy policy must be focused on the development, deployment and distribution of renewable energy, and that more ambitious renewable energy targets for the Member States are necessary for 2030 and beyond in order to achieve an economy based on renewable energy by 2050;

5. Points to the market potential for green technology, and underlines that green technologies should be seen as an opportunity to strengthen EU industries,
6. Agrees with the Commission that strong renewables growth to 2030 could generate over three million jobs;
7. Points out that renewable energy is not being developed separately, in order to promote the development of decentralised renewable energy systems, but also as part of the overall energy system; reiterates that investment is needed from private and public sources, such as the Connecting Europe programme, in order to finance the development of energy infrastructures and smart grids, based on information and communication technologies, so as to enable renewable energy to be incorporated more comprehensively, cost-efficiently and safely into the energy market, and to improve the stability of transfer and distribution systems with a view to preserving supply security; stresses the need to support small and medium-sized enterprises (SMEs) by providing them with more opportunities in infrastructure development;
8. Notes that different schemes for promoting renewable energy sources (RES) ensure that the different potentials and technology patterns within the Member States are taken into account in the design of support schemes, thereby avoiding windfall profits by reflecting the real costs of a technology; welcomes, at the same time, the Commission's initiative to produce guidelines on support schemes;
9. Believes that before calling for an EU support scheme it should be assessed whether an EU-wide system for promoting RES would offer a more cost-effective framework to promote renewables; recognises that long-term certainty, including a 2030 target for renewable energy, would boost investments in renewable energy and reduce the risks faced by those who invest in renewable energy; 10. reiterates that the EU and its Member States have made the commitment to phase out environmentally harmful subsidies by 2020, as expressed in the framework of the Nagoya summit on biodiversity and the G-20 Pittsburgh summit, by the Roadmap to a Resource Efficient Europe of the Commission, and in Council Conclusions; stresses the urgent need to tackle environmentally harmful subsidies in the field of energy, both at the national and at EU level; calls, therefore, for coordinated action aimed at identifying and phasing out all environmentally harmful subsidies in the field of energy by 2020;
11. Is convinced that stable and long-term policy frameworks play a key role in reducing the costs of uncertainty and in improving access to capital, thereby ensuring a cost-efficient and effective transition for society;
12. Calls on the Commission to use the current economic crisis as an opportunity to make investments in clean technologies to generate employment and economic growth;
13. Stresses the importance of guaranteeing long-term strategies and incentives, and stable regulatory and fiscal frameworks at national level, in order to ensure predictability for investors and to promote effectively the development of renewable energies within each Member State.
14. Stresses that effective support of SMEs is key to unlocking the potential for renewable

energy systems and achieving a decarbonised economy;

15. Notes that the renewable energy sector is not yet robust enough to withstand market forces on its own, and therefore believes that rigorously and transparently managed support is still needed to consolidate the sector and enable the EU to realise its plans for a carbon-free future;
16. Is concerned about abrupt changes in national support mechanisms for renewable energy, in particular in the form of retroactive changes to or the freezing of support; calls on the Member States to provide stable frameworks for investment in renewable energy, including regularly reviewed support schemes and streamlined administrative procedures;
17. Points to the need for more research funding for renewable energy technologies; stresses that energy storage technologies are needed to integrate decentralised renewable resources into the distribution network; maintains that funding needs to be allocated under the Horizon 2020 programme to finance the development of renewable energy technologies; calls on the Commission to fully explore, with the European Investment Bank and national public institutions, ways of dedicating funds within the EU's current and future budgets to the financing of renewable energy projects;
18. Points to the fact that the increased use of renewables and green technologies is not only an issue of meeting emission targets but also of improving energy security and reducing the need for imported fuels;
19. Is of the opinion that targeted research and development through existing instruments needs to be made more effective, and is concerned that such efforts have been neglected in certain branches of the renewable energy sector, which has led to commercialisation difficulties; notes that research, development and innovation focusing on reducing the environmental impact, and on making efficient use of waste – including food waste and debris recovered from the marine environment – to produce electricity, gas, and heat, can be important from the point of view of meeting energy and resource efficiency targets, provided that the energy efficiency standard set in the Waste Framework Directive are complied with, and of tackling energy poverty; notes also that the transport sector is an extremely large consumer of fossil fuels, and research into ways of improving energy efficiency and reducing CO₂ emissions in transport will therefore have a beneficial impact;
20. Points to the fact that much can be achieved, when using existing technologies, by increasing energy efficiency and replacing out-dated power-generating technologies with newer and less polluting ones;
21. Underlines the need for long-term sustainability in the use of biomass and biofuels, in particular in terms of their net climate effects and their direct and indirect impacts on biodiversity;
22. Notes the importance of ensuring that prices for consumers, both domestic and industrial, remain at affordable and internationally competitive levels;
23. Calls on the budgetary authority to provide the Agency for the Cooperation of Energy

Regulators (ACER) with the wherewithal to perform its duties and to achieve the goals laid down in the regulation on wholesale energy market integrity, transparency and efficiency; notes that this is necessary in order to complete an integrated and transparent internal electricity and gas market by 2014.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.2.2013
Result of final vote	+: 64 -: 1 0: 1
Members present for the final vote	Martina Anderson, Elena Oana Antonescu, Kriton Arsenis, Sophie Auconie, Pilar Ayuso, Paolo Bartolozzi, Sandrine Béliet, Lajos Bokros, Martin Callanan, Nessa Childers, Tadeusz Cymański, Chris Davies, Esther de Lange, Anne Delvaux, Jill Evans, Elisabetta Gardini, Gerben-Jan Gerbrandy, Matthias Groote, Françoise Grossetête, Cristina Gutiérrez-Cortines, Satu Hassi, Jolanta Emilia Hibner, Dan Jørgensen, Karin Kadenbach, Christa Klaf, Eija-Riitta Korhola, Holger Kraemer, Jo Leinen, Corinne Lepage, Peter Liese, Zofija Mazej Kukovič, Linda McAvan, Radvilė Morkūnaitė-Mikulėnienė, Miroslav Ouzký, Vladko Todorov Panayotov, Gilles Pargneaux, Antonyia Parvanova, Andrés Perelló Rodríguez, Mario Pirillo, Pavel Poc, Frédérique Ries, Anna Rosbach, Oreste Rossi, Carl Schlyter, Horst Schnellhardt, Richard Seeber, Theodoros Skylakakis, Bogusław Sonik, Claudiu Ciprian Tănăsescu, Thomas Ulmer, Åsa Westlund, Glenis Willmott, Marina Yannakoudakis
Substitute(s) present for the final vote	Nikos Chrysogelos, Minodora Cliveti, Christofer Fjellner, Gaston Franco, Rebecca Harms, Jutta Haug, Judith A. Merkies, Miroslav Mikolášik, Alojz Peterle, Birgit Schnieber-Jastram, Alda Sousa
Substitute(s) under Rule 187(2) present for the final vote	Konrad Szymański, Jacek Włosowicz

22.2.2013

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on current challenges and opportunities for renewable energy on the European internal energy market

(2012/2259(INI))

Rapporteur: Riikka Manner

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Maintains that investment in, and the exploitation of, renewable energy will promote economic development, new innovations and technology, and sustainable growth in the EU's regions. Moreover, that this will ensure the diversification of energy supply and will reduce EU's dependence on conventional energy, while creating new sustainable jobs, competitiveness and territorial and social cohesion;
2. Notes that almost half a million jobs have been created in the renewable energy sector and that more intensive development of that sector could create a further 3 million jobs by 2030;
3. Calls on the Member States to continue to promote investment in renewable energies and energy convergence, and regrets the trend towards the withdrawal of incentives for renewable energies in favour of other less environmentally and socio-economically sustainable energy sources;
4. Considers that EU regional policy has a key role to play in promoting renewable energy production and also energy-efficiency on a Europe-wide scale, as well as in the field of electricity services and energy transport services; welcomes the fact that the cohesion and regional policy input intended to encourage renewable energy use has continued to expand step by step with the aim that RES fully contribute to the EU energy policy goals and that the EU energy objectives are implemented EU-wide; considers it particularly important for the direction of European policy to be such as to enable the funding rate to be

sufficient in the coming period 2014-2020; considers the relevance of ambitious targets for renewable energy beyond 2020 in order to foster the renewable and clean energy production;

5. Considers that in order for full advantage to be derived from the benefits offered by renewable energy sources, there is a need for close cooperation in the field of energy infrastructure and for additional European funding for new technologies;
6. Considers that intelligent use of Community funding for the next programming period, 2014-2020, will enable the target of increasing the proportion of renewable energy sources to 20% to be achieved and, along with this, the objectives of sustainability and competitiveness in the European Union;
7. Maintains that investment under Common Strategic Framework funds could be of great help in resolving the challenges for renewable energy and in exploiting their energy efficiency potential; draws attention also to the importance of public and private – and first and foremost European – investment and of innovative financial instruments; without overlooking research and development projects supported under the Structural Funds, especially those carried out at grass-root level, points to the role of Horizon 2020 in the development of the European renewable energy sector and in the responses to specific territorial challenges; underlines that investments in the field of renewable energy sources are essential to promote their competitiveness against other – more traditional – energy sources;
8. Points out the relevance of smart grids in the future - as envisioned by the European Commission energy policy blue print - to deal with the imbalance in renewable energies available throughout the EU and to create a pan-European energy market capable of delivering these energies to all regions;
9. Underlines that the use of renewable energy technologies should be optimised based on availability of renewable resources in the region; points out that increased renewable energy production will pose challenges to the serviceability of the existing energy infrastructure as the sources are often remotely located and therefore require major development work on transmission and distribution lines; considers that in order to further integrate renewable energy sources, infrastructure adjustments will be needed in the EU, both at transport and distribution level and that national legislation has to ensure the simplification and acceleration of planning procedures as they often require the interaction of various planning levels; points to the importance of both public and private funding where energy infrastructure investment is concerned; urges the need for progress in the development and expansion of an EU internal energy market; highlights the potential of Structural Funds to modernise the current energy infrastructure and service a well-connected European infrastructure in order to integrate renewable energies in the European energy market; highlights also the importance of creation of smart power grids; maintains, however that the amount of ERDF funding in the current financing period for new energy capacities is rather low; believes that, for example, ELENA assistance should support large-scale, but also decentralised, renewable energy investment projects to more useful effect and that the Intelligent Energy – Europe programme could be used to foster further development of renewable energy and furthermore foster joint renewable projects

between small communities, including rural areas;

10. Notes that the most efficient and competitive renewable energy sites in the EU are sometimes geographically remote from points of consumption and that there is therefore a need to develop suitable networks for the transmission of clean energy; highlights that efficient local renewable energy production must also be encouraged in order to reduce transmission losses, increase security of supply and promote regional energy self-sufficiency;
11. Supports a multi-level governance and decentralised approach to energy policy and renewables, including, among other things, the Covenant of Mayors and the further development of the Smart Cities initiative as well as the promotion of the best solutions at regional and local level by means of information campaigns;
12. Points to the importance of self-sufficiency in energy and security of energy supply in the EU and to the major role of European renewable energy sources, including slowly renewable sources, for regional economies; points out that the efforts to the shift from fossil and imported energy towards locally and regionally, including cross-border projects, produced European renewable energy are important in the long term in order to meet the targets set in the Energy Roadmap 2050 and the Europe 2020 strategy; thereby the providing access to safe sustainable and affordable energy for all European citizens; regrets that the EU's dependency on imported fossil fuels exposes European regions vulnerable to crises and competitiveness;
13. Takes the view that Europe's regions need greater flexibility to adapt and benefit from the renewable energies available in those areas, which entails making full use of decentralised energy production in order to cope with variables and exploit them where availability is greatest; points out that this should be done through a decentralised approach focusing on intelligent networks and technology, and promoting the link between innovation and investment in a sustainable manner;
14. Considers that local sustainable energy strategies have an essential role in terms of regional and social development, as they enhance the participation of regional players in renewable energy projects; notes that the Member States and regions have their own strengths as far as renewable energy sources are concerned and that, because of geographical differences; notes that renewable energy policy cannot be exactly the same in every region and therefore flexibility is needed; believes that the specific strengths of a region shall be brought to the fore and best utilised; reminds that local and regional conditions and resources have to be taken into account for the developing of RES potential; points out that bioenergy and other renewable energy sources can do much to foster energy management, economic growth, and vitality, especially in outermost regions, islands and remote areas, sparsely populated regions and rural areas; considers that the Common Strategic Framework funding for renewables should contribute the regional distribution of the energy produced and small-scale renewable projects; emphasizes the important role of SMEs in renewable energy policy;
15. Notes that an integrated approach on the regional level will be necessary to boost the use of renewable energy; considers that various actors should be involved in setting up the infrastructure, without adding extra layers of bureaucracy;

16. Maintains that effective renewable energy projects should not stop at the EU's internal borders or its external borders; draws attention to the importance of cross-border energy projects and takes the view that European regional cooperation programmes, as well as the IPA and the ENI, should be exploited to help renewable energy to take off; stresses that best practice should be shared and turned to account under those programmes; supports the use of regional policy and energy policy funds for cross-border renewable energy projects with third partner countries and connections between national networks under the 3rd energy package; stresses that external bordering regions should be connected into the EU network as much as possible to ensure sustainable development on both sides of the border; notes, however, that the existence of numerous different schemes for promoting renewables in the Member States gives rise to some inefficiencies, in particular, in cross-border regions;
17. Points to the importance of gradually achieving a European internal market for renewable energies in all Europe's regions that would take account of all their energy sources, thus enabling them to become competitive on a sustainable basis;
18. Notes that the integration and expansion of renewable energies makes a significant contribution to reducing the environmental costs of conventional energy sources, reducing fossil fuel use and greenhouse gas emissions, and they should therefore be developed, whilst paying attention to respect for nature conservation and biodiversity;
19. Points out that coherence and perseverance, innovation and sustainability are key elements of EU climate and energy policy in order to meet the EU 2020 targets and increase energy supply coming from renewable sources by 2050; points out that legislation which limits the exploitation of renewable energy will at worst make the targets more difficult to reach, and that this could adversely affect regional economies;
20. Highlights the need to increase concerted support in this area for specific and targeted information campaigns that take account of each region's particular features and include a presentation of the results, thus demonstrating the benefits which the region has gained from the use of renewable energies;
21. Highlights the valuable experience gained on local level to achieve energy independence by boosting renewable energy production; recommends to promote renewable energy village and energy cooperatives and facilitate exchange of good practice and networking in order to best capitalise on successful models;
22. Notes that regional and local authorities have a key role to play in deploying the most-needed innovations in the energy sector if the EU is to meet its renewables and energy efficiency targets and they should have real input to influence these goals; encourages a multi-level governance approach aiming at a close and effective link between National Renewable Energy Plans and regional funding strategies; reminds that the way to achieve a high level of public acceptance and support for renewable energy is through transparent planning, construction and licensing procedures, in which all the stakeholders are involved;
23. Asks the European Commission and Member States to simplify the procedure for authorisation, create a stable and simple regulatory framework, reduce the complexity of

the market barriers as well as creating incentives and simplification of funding access which will help in deploying renewable energy installations; moreover, asks the Commission and Member States to ensure co-financing of Cohesion policy financing instruments with European Investment Bank funds;

24. Draws the attention to the need to promote actions to harness the renewable energy potential of European Outermost regions, islands and other remote areas, where fuel dependency is aggravated by distance and geographical isolation; calls on the European Commission and Member States to establish a specific programme in the field of renewable energy along the lines of the POSEI arrangements to fully exploit the unique potential of these territories.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.2.2013
Result of final vote	+: 39 -: 3 0: 0
Members present for the final vote	François Alfonsi, Catherine Bearder, Jean-Jacob Bicep, Victor Boștinaru, John Bufton, Salvatore Caronna, Nikos Chrysogelos, Tamás Deutsch, Danuta Maria Hübner, María Irigoyen Pérez, Seán Kelly, Constanze Angela Krehl, Petru Constantin Luhan, Vladimír Maňka, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Jens Nilsson, Jan Olbrycht, Wojciech Michał Olejniczak, Younous Omarjee, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Nuno Teixeira, Lambert van Nistelrooij, Justina Vitkauskaitė, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler, Elżbieta Katarzyna Łukacijewska
Substitute(s) present for the final vote	Vasilica Viorica Dăncilă, Karima Delli, Cornelia Ernst, Karin Kadenbach, László Surján, Patrice Tirolien, Giommaria Uggias, Derek Vaughan, Iuliu Winkler
Substitute(s) under Rule 187(2) present for the final vote	Marit Paulsen, Britta Reimers

25.2.2013

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on current challenges and opportunities for renewable energy on the European internal energy market
(2012/2259(INI))

Rapporteur: Spyros Danellis

SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Underlines the importance that renewable energy has in Europe's energy supply and supports the promotion of renewables as part of the EU's climate-change strategy;
2. Stresses that dependence on imported fossil fuels entails ever growing political and environmental risks, that obtaining them is increasingly costly to the Member States and consumers, and that renewable energy produced in Europe should therefore play a larger role in achieving energy security for the European Union;
3. Emphasises the importance of enhancing the security of energy supply at affordable prices in view of the major challenges facing society today; both the security of energy supply and climate change have implications for foreign and security policies;
4. Calls on the European Union to assign the Member States new, binding renewable energy targets for the period after 2020;
5. Observes that incentives for renewable energy and support to research and development in this field promotes the international competitiveness of this industry;
6. Points to the importance of gradually integrating renewables into the European energy market so that they become competitive on a sustainable basis; believes that aid for renewables should be of limited duration and subject to adjustment as the various technologies mature;

7. Stresses, however, the problems involved in promoting and achieving sustainable use of renewables that are in line with climate, resource efficiency, biodiversity and EU Horizon 2020 targets, as well as with site-specific environmental requirements;
8. Emphasises that energy policy should not promote the production and use of renewable resources to the detriment of environmental sustainability; stresses the importance of resource efficient energy consumption and production on the farm level; recalls the potential for developing livestock farm biogas systems based on biowaste;
9. Emphasises that energy policy should not promote the production and use of renewable resources to the detriment of social, economic and environmental sustainability;
10. Calls on the EU to guarantee that the promotion of renewable resources in the production and use of energy will not jeopardise food security, high-quality sustainable food production or agricultural competitiveness;
11. Acknowledges that a great challenge facing agriculture is to identify effective climate change measures that do not have a negative impact on food production, or that even have a positive one;
12. Points to the importance of research and technological development to encourage the production of second generation biofuels; stresses the importance of such biofuels for preventing adverse effects on food markets;
13. Calls on the EU to ensure that energy measures to develop alternative fuels are not directly or indirectly incompatible with World Trade Organisation (WTO) commitments and do not expose the EU to acts of retaliation;
14. Notes that a number of elements of the food system are vulnerable to higher energy costs and this could have adverse effects for producers and consumers;
15. Stresses that a sound renewable energy strategy should regard reduction of waste and energy saving as fundamental objectives, in addition to that of making better use of renewable energy resources;
16. Is aware of the role that innovation provisions under the CAP reform proposals for Rural Development should play in researching and disseminating techniques for sustainable production and uses for renewable energy and waste;
17. Emphasises the importance of policies to ensure that energy crops are predictable and cohesive;
18. Acknowledges the importance of promoting and encouraging the development of on-farm sources of alternative energy, especially on a small scale, and of disseminating the relevant methods to farmers and consumers alike;
19. Emphasises the contribution that cooperation among farmers might make to a successful outcome for the policy for promoting renewable resources;
20. Calls on the European Investment Bank to create rolling funds, through financial

intermediaries, to provide the necessary start-up capital, and technical support, for farm-based and community-owned micro- and small-scale schemes for electricity and heat generation from renewables, the profits of which can be re-invested in additional schemes;

21. Points out that the 2020 renewable energy targets set in the Renewable Energy Directive for the EU as a whole, as well as for the Member States, have spurred the use of renewable energy in Europe and in the European countryside; takes the view that the EU, if it is to establish policy in the long-term and strengthen the security of investment, must as soon as possible set targets also for the period beyond 2020;
22. Observes that agriculture and rural areas have the potential to provide a significant proportion of renewable energy production, and takes the view, therefore, that the new policy on agriculture and rural development should promote the production of renewable energies;
23. Observes that it is necessary to eliminate obstacles to more widespread use of renewable energy.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	21.2.2013
Result of final vote	+: 28 -: 4 0: 0
Members present for the final vote	John Stuart Agnew, Eric Andrieu, José Bové, Luis Manuel Capoulas Santos, Vasilica Viorica Dăncilă, Michel Dantin, Paolo De Castro, Albert Deß, Herbert Dorfmann, Hynek Fajmon, Iratxe García Pérez, Julie Girling, Béla Glattfelder, Martin Häusling, Peter Jahr, Elisabeth Jeggler, Elisabeth Köstinger, Agnès Le Brun, Mairead McGuinness, James Nicholson, Georgios Papastamkos, Marit Paulsen, Britta Reimers, Alfreds Rubiks, Giancarlo Scottà, Czesław Adam Siekierski, Alyn Smith, Ewald Stadler, Csaba Sándor Tabajdi, Marc Tarabella, Janusz Wojciechowski
Substitute(s) present for the final vote	Pilar Ayuso, Spyros Danellis, Esther de Lange, Kent Johansson, Christa Kläß, Astrid Lulling, Riikka Manner

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	19.3.2013
Result of final vote	+: 50 -: 6 0: 1
Members present for the final vote	Amelia Andersdotter, Jean-Pierre Audy, Zigmantas Balčytis, Ivo Belet, Bendt Bendtsen, Jan Březina, Reinhard Bütikofer, Maria Da Graça Carvalho, Giles Chichester, Jürgen Creutzmann, Pilar del Castillo Vera, Christian Ehler, Vicky Ford, Adam Gierek, Norbert Glante, Robert Goebbels, Fiona Hall, Jacky Hénin, Kent Johansson, Romana Jordan, Krišjānis Kariņš, Lena Kolarska-Bobińska, Bogdan Kazimierz Marcinkiewicz, Judith A. Merkies, Angelika Niebler, Rolandas Paksas, Jaroslav Paška, Aldo Patriciello, Vittorio Prodi, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Michèle Rivasi, Amalia Sartori, Salvador Sedó i Alabart, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Ioannis A. Tsoukalas, Claude Turmes, Marita Ulvskog, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras
Substitute(s) present for the final vote	António Fernando Correia de Campos, Ioan Enciu, Françoise Grossetête, Jolanta Emilia Hibner, Yannick Jadot, Holger Krahmer, Bernd Lange, Werner Langen, Zofija Mazej Kukovič, Vladko Todorov Panayotov, Mario Pirillo, Vladimír Remek