REPORT

on renewable energy progress report
(2016/2041(INI))

Committee on Industry, Research and Energy

Rapporteur: Paloma López Bermejo

Rapporteur for the opinion (*):
Marijana Petir, Committee on the Environment, Public Health and Food Safety

(*) Associated committees – Rule 54 of the Rules of Procedure
CONTENTS

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION ........................................ 3
EXPLANATORY STATEMENT ...................................................................................... 19
OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY(*) ................................................................................................................. 20
OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT .............................. 27
OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT 31
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE ....................................... 37

(*) Associated committee – Rule 54 of the Rules of Procedure
The European Parliament,

- having regard to the Treaty on the Functioning of the European Union, in particular Titles XX on environment and XXI on energy thereof,
- having regard to the Treaty on the Functioning of the European Union, in particular Titles IX on employment and XVIII on economic, social and territorial cohesion thereof,
- having regard to the Treaty on the Functioning of the European Union, in particular its Protocol (No 26) on services of general interest and Protocol (No 28) on economic, social and territorial cohesion,
- having regard to the Commission report entitled ‘Renewable energy progress report’ (COM(2015)0293)) and to the national plans,
- having regard to the 21st Conference of the Parties (COP 21) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 11th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (CMP 11) held in Paris from 30 November to 11 December 2015, and to the Paris Agreement,
- having regard to the Commission communication entitled ‘Towards an Integrated Strategic Energy Technology (SET) Plan: Accelerating the European Energy System Transformation’ (C(2015)6317),
- having regard to the Commission communication entitled ‘An EU Strategy on Heating and Cooling’ (COM(2016)0051),
- having regard to the Commission communication entitled ‘A Roadmap for moving to a competitive low carbon economy in 2050’ (COM(2011)0112),
- having regard to the European Council conclusions of 23-24 October 2014,

---


having regard to the EESC study on the role of civil society in the implementation of the EU Renewable Energy Directive entitled ‘Changing the future of energy: civil society as a main player in renewable energy generation’,

having regard to the Sustainable Energy Action Plan of the Covenant of Mayors for Climate and Energy,

having regard to the Aarhus Convention of 25 June 1998 on ‘Access to information, public participation in decision-making and access to justice in environmental matters’,

having regard to its resolution of 5 February 2014 on a 2030 framework for climate and energy policies,

having regard to its resolution of 14 October 2015 on ‘Towards a new international climate agreement in Paris’,

having regard to its resolution of 15 December 2015 on achieving the 10 % electricity interconnection target – Making Europe’s electricity grid fit for 2020,

having regard to its resolution of 15 December 2015 on ‘Towards a European Energy Union’,

having regard to Rule 52 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 the Environment, Public Health and Food Safety, the Committee on Regional Development and the Committee on Agriculture and Rural Development (A8-0196/2016),

A. whereas the EU as a whole is on track to reach the 2020 targets for renewables, but further intensified action is required in some Member States;

B. whereas renewable energy costs have significantly decreased in recent years, which, along with technological advances in production and storage, has made renewable energy increasingly competitive with conventional generation, offering a unique chance to create a genuine European energy policy that would boost competitiveness and reduce greenhouse gas emissions; whereas the transition towards a sustainable, forward-looking energy system must include efforts towards energy efficiency, renewable energy, best use of Europe's energy resources, technology development and smart infrastructure; whereas a long-term, stable regulatory framework is needed in order to

---

create economic growth and jobs and ensure that the EU retains a global leading role in these areas;

C. whereas according to Article 194 TFEU, European energy policy must ensure the functioning of the energy market and security of energy supply, as well as promoting energy efficiency and savings, the development of renewable energy and the interconnection of energy networks; whereas binding national and EU targets, concrete planning and reporting obligations and enabling measures have been key drivers of investment certainty and the expansion of renewable energy capacity in the EU, as well as of transmission and distribution infrastructure;

D. whereas, in line with the COP 21 Paris Agreement, the Renewable Energy Directive needs to be adapted to comply with the agreed goal of keeping the global temperature increase to 1.5°C above pre-industrial levels; whereas an economy based on 100% renewables can only be achieved by reducing our energy consumption, increasing energy efficiency and boosting renewable energy resources;

E. whereas ambitious policies for renewable energy, in combination with energy efficiency, are a major driving force in reducing the EU’s imports dependency and its overall external energy bill and enhancing energy security vis-à-vis external providers; whereas the EU imports more than half of all the energy it consumes, at a cost of more than EUR 1 billion every day, accounting for over 20% of total imports; whereas imports dependency is particularly high in the case of crude oil, natural gas and hard coal; whereas the imported fuel costs avoided as a result of the increasing use of renewable energy amount to at least EUR 30 billion a year;

F. whereas the development of renewable energy can help to ensure energy security and sovereignty, eliminate energy poverty and foster the economic development and technological leadership of the EU while tackling climate change; whereas renewable energy sources would contribute to providing European citizens with stable, affordable, sustainable energy, with special emphasis on the most vulnerable; whereas renewable energy sources should enable citizens to benefit from self-generation and predictable energy supply;

G. whereas the development of renewable energy should coincide with the development of a well-functioning internal electricity market; whereas the Energy Union should be based on a transition towards a sustainable, forward-looking energy system with energy efficiency and savings, renewable energy and smart infrastructure as major pillars;

H. whereas EU companies in the renewable energy sector, many of which are SMEs, employ 1.15 million people in Europe and have a 40% share of all world patents for renewable technologies, making the EU a global leader; whereas, according to the Commission, 20 million jobs could be created between now and 2020 in the green economy, which is also a major opportunity for job creation in rural areas; whereas projects owned by SMEs, cooperatives and individuals play an important role in innovating and developing the renewable energy sector;

I. whereas the Commission is committed to making Europe the world number one in renewable energy, which is an industrial policy imperative; whereas China has become
the worldwide front-runner in investing in renewables, while investment in Europe fell by 21 %, from EUR 54.61 billion (USD 62 billion) in 2014 to EUR 42.99 billion (USD 48.8 billion) in 2015, the lowest figure for nine years;

J. whereas continued investment in renewables requires both ambitious public and private leadership and commitment and a long-term, stable and reliable policy framework consistent with the EU's climate commitments arising from the Paris Climate Agreement, which holds great potential for job creation and growth in Europe;

K. whereas ambitious and realistic goals – public participation, monitoring and supervision, clear and simple policy rules and support at local, regional, national and European level and the engagement of all relevant stakeholders, including the social partners (bringing together representatives of workers and industry) and other civil society organisations – are key, and need to be strengthened further for the successful development of renewable energy;

L. whereas respect for ownership rights is important when promoting renewable energy;

M. whereas renewable energy offers an opportunity for greater energy democracy in energy markets by empowering consumers to participate actively on an equal footing with other stakeholders in the energy market, to self-generate and self-consume, store and sell renewable energy produced by themselves, individually or in collective management, as well as through public and private investment, including decentralised forms of energy production launched by cities, regions and local public authorities; whereas renewable energy projects should allow greater control by citizens over their energy consumption and the energy transition and promote their direct involvement in the energy system, including through investment schemes;

N. whereas offshore wind in the North Sea region has the potential to generate over 8 % of Europe's power supply by 2030;

O. whereas certain Central and Eastern European Member States are more exposed to a single supplier of fossil fuels; whereas thanks to renewables 30 billion euros’ worth of imported fossil fuels were saved, and natural gas consumption was reduced by 7 %, thus strengthening the energy independence and energy security of Europe, which remains the largest energy importer in the world;

Progress on renewables

1. Welcomes the Commission’s commitments on renewable energy; considers with respect to the Renewable Energy Directive that the current combination of binding national targets, National Renewable Energy Plans and biennial monitoring has been a key driver of renewable energy capacity development in the EU; urges the Commission to ensure full implementation of the 2020 Renewable Energy Directive and to put forward an ambitious post-2020 legislative framework; stresses, in this regard, that a stable long-term regulatory framework is needed, including national and EU renewable energy targets that are consistent with the most efficient path towards the Union's long-term climate goals (2050);
2. While noting with satisfaction that the EU is on track to meet its 2020 target, expresses its concern at the large number of countries (Belgium, France, Luxembourg, Malta, the Netherlands, Spain and the United Kingdom) which, according to the Commission's 2015 Renewable Progress Report 2014-2020 estimates, may have to strengthen their policies and tools to ensure they meet their 2020 objectives, while achievement thereof is also not certain in the case of Hungary and Poland; calls on Member States that are lagging behind to undertake additional measures to get back on track; welcomes the fact that some Member States have already met or will very shortly meet their 2020 targets, well ahead of time, such as Bulgaria, the Czech Republic, Denmark, Estonia, Croatia, Italy, Latvia, Lithuania, Austria, Romania, Finland and Sweden;

3. Regrets that the Commission’s Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives; stresses that access to capital is key, yet the cost of capital in the EU-28 has been diverging significantly, resulting in a North/West vs East/South divide; notes that the existence of a variety of different policies for promoting renewable energy risks further widening the competitiveness gap among EU countries; points out the need to have an EU financial mechanism aimed at reducing high risk-derived capital costs of renewable energy projects;

4. Stresses in this respect the importance of identifying and sharing best practices in terms of national renewable energy policies and of promoting their adoption under a more convergent European model, favouring increased cooperation and coordination among Member States; calls on the Commission to maintain its role in monitoring the progress and actively supporting the development of renewable energies; highlights the importance of assessing renewables as to their competitiveness, sustainability, cost-effectiveness and contribution to geopolitical stability and climate change goals;

5. Acknowledges the important role played by national plans and reporting obligations in the monitoring of Member States’ progress, and believes these obligations should be continued in the post-2020 period; recognises that the determination of the energy mix of Member States remains a national competence in the context of Article 194 TFEU, with each Member State promoting the development of its own renewable forms of energy, so that energy mixes remain highly diversified;

6. Stresses the importance of simple, accessible, affordable and efficient administrative procedures;

7. Calls on the Commission to include an evaluation of the impact of renewables on cost and prices, especially prices for households, in the future renewable energy progress reports;

8. Highlights the importance of an EU legislative proposal on energy market rules, as a more integrated market is key to the development of renewables, and to reducing energy costs for families and industry;

9. Stresses the importance of stable and cost-effective renewable support schemes for long-term investment that remain responsive and adaptable in the short term and are tailored to national needs and circumstances, allowing gradual phasing-out of subsidies for mature renewable technologies; welcomes the fact that a number of renewable
energy technologies are rapidly becoming cost-competitive with conventional forms of generation; stresses that the energy transition hinges upon the transparency, consistency and continuity of legal, financial and regulatory frameworks with a view to strengthening investor confidence; regrets retroactive changes to renewable support schemes that alter the return on investments already made; calls on the Member States to always announce any renewable support scheme adjustments and consult stakeholders widely well in advance; calls on the Commission to check the compatibility of national support schemes with the European Commission Guidance in order to avoid any unnecessary delay in their implementation and minimise market distortions;

10. Stresses that research and development activities play an essential role in the development of renewable energies; recalls Parliament's target of 85 % of financing for non-fossil energy under the energy chapter of Horizon 2020; calls on the European Commission and the Member States to further facilitate the effective use of all existing funding schemes and to ensure access to capital, particularly for SMEs, and to support research and development in the fields of renewable energy, its storage and related product development with a view to making the EU renewable industry more competitive, enabling better uptake of renewables and avoiding further widening of the competitiveness gap among EU countries;

11. Stresses that electricity storage can contribute to providing flexibility in the EU electricity system and to balancing fluctuations resulting from renewable energy production; reiterates that the current Electricity Directive 2009/72/EC does not mention storage, and stresses that the upcoming revision of the Electricity Directive takes into consideration the multiple services that energy storage can provide; considers that clarifying the position of storage would allow transmission and grid operators to invest in energy storage services;

12. Stresses that support schemes at all levels should be focused on technologies with great potential for reducing the costs of renewables and/or increasing market uptake of renewables;

13. Considers that future R&D strategy should focus on facilitating smart grid and smart city developments; furthermore considers that the electrification of transport, smart vehicle charging and vehicle-to-grid technology could contribute significantly to improving energy efficiency and potential uptake of renewable energy sources;

14. Considers that the ERDF and the Cohesion Fund can contribute to meeting the targets under Directive 2009/28/EC and the 2030 Framework for Climate and Energy, as well as funding research and innovation in connection with renewable energy generation, while supporting job creation and economic growth; underlines the importance of thematic concentration within cohesion policy, since this should contribute to channelling investment towards the low-carbon economy, including renewable energies, especially in the light of the prominent role of the thematic objective ‘Supporting the shift towards a low-carbon economy in all sectors’; calls on the Member States to increase their efforts and make best use of the funding opportunities existing for this purpose, while underlining the opportunities for local business development and job creation; recalls the common provisions in the ERDF and the Cohesion Fund supporting
the eligibility of projects related to energy efficiency and the use of renewable energy sources in private households, public buildings and enterprises, and believes that regional renewable energy market integration, which could be achieved through such funding, would represent an important contribution of cohesion policy in this respect;

15. Underlines the need for increased cooperation and coordination within and between Member States and regions and for an integrated approach to public investment in and financing of technical improvement, smart-grid development and implementation, grid adaptation and capacity, smart metering, storage, demand-side management, energy efficiency and innovative renewable energy production;

16. Stresses that grids in many Member States are simply unable to receive power generated from variable renewables; stresses that modernisation of the energy grids is essential to accommodate changes in production and transmission;

17. Calls urgently for a strengthening of transparency and public participation, with the involvement of all relevant stakeholders at an early stage in the development of national plans for renewable energy; regrets the current lack of information regarding the implementation of Renewable Energy Directive provisions and stresses the need for more detailed biennial reports from Member States; calls on the Commission to strengthen its role in monitoring and supporting the progress of renewable energies; calls on the Commission to enhance transparency regarding the use of its enforcement power;

18. Stresses the importance of involvement by all levels of administration, as well as associations, in the implementation of a European renewables-based model of energy production, consumption and self-consumption; calls on the Commission to step up its support for the Covenant of Mayors, Smart Cities and Smart Communities and the 100 % RES communities, which allows sharing of knowledge and best practice;

19. Notes that increased regional cooperation on renewables is key to ensuring the further development of renewable energy sources;

20. Welcomes the fact that in 2013 the use of renewable energies enabled the generation of around 388 million gross tonnes of CO2 to be avoided and led to a reduction in demand for fossil fuels in the EU of 116 Mtoe;

Renewables for the future

21. Stresses that the RES targets must be set in line with the climate targets agreed by 195 countries in Paris in December 2015; notes the proposal from the European Council for an at least 27 % renewable energy target for 2030; recalls Parliament's call for binding targets of at least a 30 % share of renewable energy consumption to be implemented by means of national targets in order to ensure the necessary investor and legal certainty; believes that, in the light of the recent COP21 agreement, significantly higher ambition is desirable; insists that clear and ambitious objectives in this regard are a tool to improve certainty and to ensure a leading position for the EU at a global level; calls on the Commission to present a more ambitious climate and energy package 2030 which
increases the EU target for RES to at least 30% to be implemented by means of individual national targets;

22. Stresses the relevance of the new renewable energy and market design legislation in creating a new framework fit for the development of renewable energies on the basis of reliable support schemes and full participation of renewable technologies in the market;

23. Realises that tax cuts are a powerful incentive for making the shift from fossil energy to renewable energy, and urges the Commission to reform the Energy Taxation Directive and the state-aid rules, which are preventing these incentives from being used to their full potential;

24. Stresses that the targets already agreed for 2020 must be taken as the minimum baseline when revising the Renewables Energy Directive, so that Member States cannot go below their 2020 national target after 2020; underlines that the EU 2030 renewable energy target requires collective achievement; stresses that Member States should develop their national plans in a timely fashion and that the Commission needs enhanced oversight capacities, including beyond 2020, endowed with adequate tools for effective and timely monitoring and the possibility of intervening in the event of counterproductive measures; believes that such monitoring will only be possible if the Commission determines national benchmarks for Member States against which their progress in renewable deployment can be measured;

25. Highlights the potential for Europe in the development of renewable energy, and underlines the importance of long-term and favourable conditions for all market actors;

26. Highlights the important contribution of renewable energy in the reduction of overall carbon emissions; stresses the importance of renewable development in achieving the objectives agreed at the COP21;

27. Stresses that Member States should increase the justified use of provisions for statistical transfers and the development of cooperation mechanisms to meet their targets, in accordance with Article 6 of the Renewable Energy Directive; underlines the importance of cooperation among Member States, which would be beneficial to system optimisation, efficient provision and enhanced cost-saving in renewable energy; calls on the Commission to provide Member States with further incentives, information, a cost benefit analysis and guidance in this respect;

28. Highlights the need to define a strong, robust and transparent governance system to ensure the implementation of the 2030 renewable energy target with due respect for national competences in determining the energy mix, while allowing for full democratic control and scrutiny of energy policies; calls for an intensive replication of the current successful system of national targets, national Renewable Energy Plans and biennial reports; believes that these should be embedded in the Renewable Energy Directive, which must ensure accountable, effective and transparent monitoring of Member States' commitments and the implementation of existing European legislation, in order to lay the foundation for a well-functioning European Energy Union;

29. Points to the importance of single binding templates for national energy and climate plans in order to ensure comparability, transparency and predictability for investors;
believes that trajectories and policy planning for each Member State must continue to be broken down by sector, technology and source;

30. Urges the European Commission to codify in legislation a grandfathering principle for renewable energy power plants to prevent retroactive changes to renewable energy support mechanisms and guarantee the economic viability of existing assets;

31. Calls for the removal of unnecessary bureaucratic barriers and for investments that enable the achievement of the 10 % electricity interconnection target by 2020; underlines that increased regional cooperation can contribute to ensuring cost optimisation for integrating renewables and drive down costs for consumers; recalls the importance of wide public consultation and participation from an early stage in the planning of new energy infrastructure projects, while taking account of local conditions; recalls the importance of technical advice and environmental impact assessments for renewable energy generation and distribution projects;

32. Notes the gap between available skills and the changes in labour market demands resulting from the development of renewables; underlines that active education/training and skills strategies are key in the transition to a sustainable, resource-efficient economy; stresses the importance of the social partners, as well as the public authorities in developing skills schemes and training programmes;

33. Highlights the need for adequate financing at EU level, to be achieved inter alia by applying conditionality in existing funds – Horizon2020, Structural and Cohesion Funds, European Fund for Strategic Investment – and by comprehensively de-risking investments in order to incentivise broad use of renewable energy sources;

**Citizen and Community Energy**

34. Believes that local authorities, communities, households and individuals should form the backbone of the energy transition and should be actively supported to help them become energy producers and suppliers on an equal footing with other players in the energy market; in this context calls for a common comprehensive definition of the concept of 'prosumer' at EU level;

35. Considers it of major importance to establish a basic right to self-generation and self-consumption, as well as the right to store and sell excess electricity at a fair price;

36. Recalls that Member States are, on the basis of public participation, to develop a Citizen and Community Energy strategy and describe in their national action plans how they will promote small and medium-sized renewable energy projects and energy cooperatives and factor them into their legislative framework, support policies and market accessibility;

37. Calls for the introduction of a new Citizen and Community Energy chapter under the revised Renewable Energy Directive to address the main market and administrative barriers and provide a more conducive investment environment for self-generation and self-consumption of renewable energy;
38. Notes that appropriate licensing and administrative procedures are not yet in place for all technologies in all countries; asks Member States to suppress administrative and market barriers to new self-generation capacity, to replace lengthy authorisation procedures with a simple notification requirement and to put in place efficient one-stop shops for project permits, grid access and support with financial and technical expertise, as well as guaranteeing prosumers’ access to alternative dispute-resolution mechanisms; urges the Commission to ensure full implementation and full continuity beyond 2020 of Articles 13 (administrative procedures) and 16 (access and operation of the grids) of the current Renewable Energy Directive;

39. Highlights the importance of taking into account the differences between micro, small and large producers; notes the need to develop suitable conditions and tools for 'prosumers' (active energy consumers, such as households, both owners and tenants, institutions and small businesses that engage in renewable energy production either on their own or collectively through cooperatives, other social enterprises or aggregations) to contribute to energy transition and facilitate their integration into the energy market; recommends reducing to an absolute minimum the administrative barriers to new self-generation capacity, in particular by removing market and grid access restrictions; suggests shortening and simplifying authorisation procedures by moving to a simple notification requirement; suggests that the revision of the renewable energy directive could include specific provisions to remove barriers and promote community/cooperative energy schemes via ‘one-stop shops’ dealing with project permits and providing financial and technical expertise; encourages the Member States to make use of de minimis exemptions under the European Energy and Environment State Aid Guidelines, so that small and medium-sized projects continue to benefit from dynamic feed in tariffs, exempting them from complex auctioning processes;

40. Stresses the importance of public participation from an early stage in boosting environmentally friendly renewable energy projects while taking account of local conditions;

41. Stresses the need to strike a balance, through adequate market regulation, between the development of centralised and decentralised energy production so as to ensure that consumers who cannot afford to become 'prosumers' are not discriminated against; stresses the need to provide technical and administrative facilities for the collective management of energy production; underlines that self-generation and renewable sources are not the root cause of higher European energy costs;

42. Highlights the fact that an increased focus on implementing energy efficiencies in all sectors will assist the EU in boosting its competitiveness and in the development of innovative and cost-effective energy-saving solutions;

43. Stresses the environmental, economic and social benefits of an integrated approach to energy and the need to promote synergies between and within the electricity, the heating and cooling and the transport sectors; further calls on the Commission to assess how flexible sources of renewable energy can complement variable energy sources and how this should be taken into account in energy planning as well as in the design of support schemes;
Electricity

44. Stresses that renewable electricity production should be integrated into the electricity distribution systems at all levels, as well as into transmission systems, given the changes towards a more flexible and decentralised model for energy production that takes account of the market;

45. Notes that non-variable forms of renewables production, such as hydroelectric power, which can be rapidly mobilised and are environmentally responsible, offer a way of supporting the integration of variable renewables into the market;

46. Calls for an integrated approach to energy policy that encompasses grid development and regulation, storage, demand-side management and energy efficiency improvements, as well as increasing the share of renewable energy sources; highlights the need to avoid locking in technologies that are incompatible with decarbonisation;

47. Notes that market integration of renewable electricity generation requires flexible markets on both the supply and the demand side and that this will require the construction, modernisation and adaptation of grids and the development of new storage technologies;

48. Stresses that electrification of both heating and cooling systems, transport and other sectors is crucial in order to ensure a fast and efficient transition to renewable energy sources;

49. Highlights that, as long as the electricity system is inflexible, priority access and dispatch for renewable energies is needed in order to promote grid upgrades and foster the deployment of storage and demand response; calls on the Commission to make proposals for strengthening and clarifying priority access and dispatch rules for renewable energy in the post-2020 period; stresses that the possibility of a priority access and dispatch phase-out should be evaluated on the occasion of the mid-term review of the future RES Directive expected by 2024;

50. Stresses that priority access to the grid and priority dispatch for renewable energy as stipulated in the current Renewable Energy Directive should be maintained and reinforced; calls for a post-2020 regulatory framework that ensures proper compensation for renewable electricity curtailment;

51. Notes the Commission's strategy to increase demand-response mechanisms; stresses that this should not create an additional burden for citizens or increase energy costs for the consumer; stresses that demand-response mechanisms could provide an opportunity for energy cost reductions, while highlighting that participating in demand-response or dynamic pricing mechanisms should always remain strictly on an opt-in basis only;

52. Believes that developing electricity storage solutions will be an indispensable element in the development and integration of high levels of renewable energy, assisting in balancing the grid and providing a means to store excess renewable power generation; calls for a revision of the existing regulatory framework in order to promote the deployment of energy storage systems and remove existing barriers;
53. Stresses that the issue of electricity bottlenecks continues to hamper the free flow of renewable energy across Member State borders and to slow progress on establishing a true Internal Energy Market in the European Union;

54. Emphasises that consumers should be empowered and have the right incentives to participate in energy markets; notes that dynamic, market-based prices, which internalise social and environmental costs, should be designed to elicit appropriate demand responses from consumers and activate necessary production, as well as facilitating smart and efficient consumption; recommends the Commission to further analyse their impact on various consumer groups;

55. Stresses that certain consumers have rigid consumption patterns and may be negatively affected by enhanced price-based efficiency mechanisms; stresses in this regard the importance of energy efficiency policies in Member States that are focused on consumers in a vulnerable situation;

56. Considers that there should be a clear EU regulatory framework for self-consumption of renewable energy and for renewable energy communities/cooperatives that takes account of all benefits when designing payment mechanisms for sales of surplus production, access and use of the grid; calls on the Commission and Member States to promote the self-production of energy and the implementation and interconnection of local renewable energy grids as a complement to their national energy policies; highlights the fact that 'prosumers' should be allowed to access the energy grid and market at a fair price and should not be penalised with additional taxes or charges; expresses its concern at the initiatives taken by some Member States to create obstacles to the exercise of the rights to self-consumption and self-production;

57. Urges the Member States to make better use of geothermal-sourced heat and cooling energy;

**Heating and cooling**

58. Welcomes the Commission’s heating and cooling strategy communication, but highlights the lack of progress and low targets set for renewable use in heating and cooling, in particular in buildings; stresses the great potential for continued progress in renewable use in heating and cooling; notes that the heating and cooling sector accounts for half the EU’s final energy consumption and therefore plays a key role in achieving the EU objectives on climate and renewable energy resources; recognises the benefits of increasing renewable energy in the heating and cooling sector; stresses the increased flexibility of thermal infrastructure and storage in facilitating the integration of variable renewable sources by storing energy in the form of heat, offering excellent returns on investment and providing opportunities for enhancing quality local employment; calls on the Commission to bridge the regulatory gaps in the post-2020 renewables legislative package;

59. Welcomes the Commission communication on heating and cooling of February 2016; reiterates that efforts in the heating and cooling sector hold great potential for increased energy security (given that 61% of gas imported into the European Union is used in
buildings, mainly for heating purposes), for example through the development of district heating/cooling networks, which are an efficient means of integrating sustainable heat into cities on a large scale, since they can simultaneously deliver heat derived from a range of sources and are not inherently dependent on any one source;

60. Welcomes the Commission’s heating and cooling strategy communication, which emphasises the need to phase out fossil fuels, which still account for 75% of fuel used in the sector, and to fully replace them with energy efficiency measures – our major chance of reducing use of fossil fuels – and renewables;

61. Calls for further measures to exploit the remaining significant potential of renewable energy in the heating and cooling sectors in order to fully achieve the 2020 goals; calls on the Commission to bridge regulatory gaps in those sectors in the post-2020 renewables legislative package;

62. Notes that biomass is the renewable energy most widely used for heating today, representing some 90% of all renewable heating; it plays a key role in Central and Eastern Europe in particular in enhancing energy security in a sustainable manner;

63. Stresses the need to facilitate a transition to energy-efficient renewable heating devices, while ensuring adequate support and enhanced information and assistance for energy-poor citizens;

64. Stresses the need for a comprehensive and effective definition of renewable cooling;

65. Emphasises the need to renovate and enhance the performance of district heating and cooling systems, as district heating and cooling networks can use and store electricity powered by renewables and then distribute it to buildings and industrial sites, boosting the level of renewable heating and cooling;

66. Highlights the potential of prosumer groups, including households, micro and small businesses, cooperatives and local authorities, for establishing collective energy systems such as district heating that provide cost-efficient renewable heating and cooling, as well as for the many synergies between energy efficiency and renewable energy;


68. Notes that energy efficiency projects related to both heating and cooling are important tools for ensuring stable and predictable energy consumption patterns and combating energy poverty;

Transport

69. Notes that the target of 10% renewables by 2020 in the transport sector is significantly lagging behind, partly owing to the challenges for a biofuel-based renewable strategy for transport; recalls that transport is the only sector in the EU where GHG emissions
have risen since 1990; points out that renewable energies are key to achieving sustainable mobility; calls on the Member States to increase their efforts to deploy sustainable measures in the transport sector such as demand reduction, a modal shift towards more sustainable modes, better efficiency and the electrification of the transport sector; calls on the Commission to develop a framework for the promotion of the use of electric vehicles fed by renewable electricity and to improve the legislative framework so that it offers prospects for biofuels with high GHG-efficiency, taking into account indirect land use change (ILUC) in the period after 2020;

70. Calls for the partial use of CAP to be maintained and increased in order to support investment in the production and use of renewable energy in the agricultural sector;

71. Estimates that transport represents over 30 % of final energy consumption in Europe and that 94 % of transport relies on oil products; considers, therefore, that an effort towards increased use of renewables in the transport sector must be ambitious, with a clear link to the decarbonisation of the transport sector;

72. Asks the Commission to propose ambitious measures to accelerate the decarbonisation of transport, including through renewable fuels, increased electrification and enhanced efficiency, and to step up efforts to promote technology development and innovation in these areas;

73. Notes the importance of the electrification of the transport sector for the decarbonisation of the economy and calls on the Commission to develop a framework for the promotion of the use of electric vehicles fed by renewable electricity, as a key to achieving the 2030 targets;

74. Awaits the European Commission's strategy in June 2016 for decarbonisation of the transport sector and stresses in this context that increased uptake of renewables must be promoted in order to ensure that transport contributes actively to reaching the 2020 targets;

75. Welcomes the progress made in developing new biofuels and engines by the projects completed under the EU Clean Sky Joint Undertaking;

76. Highlights the importance of developing the next-generation biofuels using biomass or waste;

77. Points out the need for an improved regulatory environment and long-term conditions in order to support development for renewable energy in the aviation and shipping sectors;

78. Stresses the need for a modal shift in the transport sector to accommodate sustainable mobility regulation and policies, including intermodality, sustainable logistic systems, mobility management and sustainable urban policies that switch the energy consumption in transport to renewable sources and/or minimise overall energy consumption, encouraging more active travel models, developing and implementing Smart Cities solutions and supporting urban eco-mobility and appropriate urban planning; calls for the Member States and the EU to promote a modal shift of passengers and cargo from road and air transport towards rail and maritime transport; calls on the Commission to assess the potential of trolley-truck technologies;
79. Urges the EU institutions, as a way of showing their firm commitment to renewable energies, to develop renewable energy capacities of their own to cover their own buildings' energy demand; stresses that, until such capacities are developed, the EU institutions should purchase green energy in order to meet their needs;

80. Emphasises that a larger modal share of walking, cycling, car-sharing and car-pooling, combined with public transport systems, is crucial to reducing and avoiding EU oil dependency and thereby reducing GHG emissions;

81. Highlights the potential of bike systems and infrastructures to improve the sustainability of transport in urban areas;

82. Highlights the potential for reducing emissions and contributing to the low-carbon economy by increased electrification of transport systems;

**Sustainability criteria for biofuels and bioliquids**

83. Calls on the Commission, given the need for greater synergy and consistency in European policies, to lay down sustainability criteria for bioenergy, taking into account a thorough assessment of the functioning of existing EU sustainability policies and the circular economy policies; recalls that a strengthening of EU energy security should be achieved through the sustainable use of own resources, in line with the objective of improving resource efficiency;

84. Urges caution with regard to the growing trend of use of forest biomass as a leading EU renewable energy source, which can have potentially damaging effects on climate and the environment unless sustainably sourced and properly accounted for; notes that the climate impacts of bioenergy must be accounted for in the long term, given the long periods needed to achieve parity times by harvested forests;

85. Notes that bioenergy already accounts for 60% of renewable energy in Europe and that its use is set to continue to grow; stresses the need to clarify, as a matter of urgency, the greenhouse impacts of the various uses of forest biomass for energy and to identify the uses that can achieve the greatest mitigation benefits within policy-relevant timeframes;

86. Emphasises that the production of biofuels should not interfere with food production or compromise food security; believes, however, that balanced policies to promote increased European yields in feedstock crops such as wheat, maize, sugar beet and sunflowers could include provision for biofuel production, taking account of ILUC, in a way which could provide Europe’s farmers with a secure income stream, attract investment and jobs into rural areas, help address Europe’s chronic shortage of (GM-free) high-protein animal feed, make Europe less dependent on fossil fuel imports; believes that in cases of market oversupply of the agricultural products referred to, the production of biofuels and bioethanol would represent a temporary outlet which would maintain sustainable purchase prices, safeguard farmers’ incomes during crises, and serve as a market stability mechanism; stresses the need to encourage the integration of uncultivated arable land which is not being used to produce food into the production of bioenergy, with a view to meeting national and European renewable energy objectives;

87. Believes that livestock manure can be a valuable source of biogas via the use of manure
processing techniques such as fermentation, while also stressing the importance of making this an economically viable option for farmers;

88. Encourages the Member States and the Commission to promote the importance of sustainable forest management, and hence the key role of forest biomass as one of the EU’s crucial renewable raw materials for reaching its energy targets; draws attention to the increasing demand for forest biomass, which means that sustainable forest management, in line with the EU forest strategy, should be even further strengthened and promoted, as it is crucial for biodiversity and the ecosystem function of forests, including the absorption of CO2 from the atmosphere; points out the need, therefore, for balanced exploitation of resources grown in the EU and imported from third countries, bearing in mind the very long regeneration time required for wood;

89. Instructs its President to forward this resolution to the Council, the Commission and the Member States.
EXPLANATORY STATEMENT

The development of renewable energies calls for a new approach that entails making them the main pillar of the European Union’s energy model. We have a fundamental responsibility to combat climate change, a historic duty that we must fulfil. We also need to reduce our dependence on energy resources from the rest of the world if we wish to structure our production model, create quality jobs and spearhead the development of strategic technologies on which to base our energy transition.

Shifting towards a model of sustainable energy production is a social priority that cannot be addressed by the market alone. Not only that, we must understand that regulation and democratic participation are necessary elements if we wish to avoid serious social and environmental externalities. We cannot allow energy oligopolies to dictate Europe’s energy future.

The EU has a legal instrument with which to achieve these objectives, the Renewables Directive (2009/28/EC). With the adoption of this directive, Europe began a process of transforming the Member States’ energy mix. This legal instrument, with binding targets and clear rules on supervision and monitoring, has created a favourable environment for the development of renewable energy and contributed to its growth into a varied and diversified sector. Public support measures have helped many Member States to achieve a great many objectives, but a decisive political thrust is necessary if we are to meet the targets set for 2020, and beyond.

We are critical of some aspects of the framework that we have inherited for the promotion of renewables. The commitment to promoting biofuels in transport did clear harm to the food production sector, instead of sparking an in-depth debate on the lack of coordination and overall planning in logistics and urban policies needed to make them truly sustainable.

Regulating the renewables sector at European level should solve the many problems hindering its development, promoting public investment, democratic oversight and a stable framework for investment to facilitate the collective and democratic management of the energy sector with a view to ensuring a fully sovereign, efficient and clean energy model for 2050.
29.4.2016

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

for the Committee on Industry, Research and Energy

Renewable energy progress report
(2016/2041(INI))

Rapporteur (*): Marijana Petir

(*) Associated committee – Rule 54 of the Rules of Procedure

SUGGESTIONS

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

1. Maintains that reducing greenhouse gas emissions, thereby realising the 2015 Paris Agreement, also depends on achieving EU climate and energy policy goals in the field of renewable energy; stresses, in this regard, that a follow-up policy with a strong, clear and stable long-term regulatory framework is needed, including binding Renewable Energy (Sources) targets that are consistent with the most efficient path towards the Union's long-term climate goals (2050); highlights that the current 2020 energy strategy and energy goals will be insufficient to reach the 2050 decarbonisation target, and therefore calls on the Commission to present a more ambitious climate and energy package 2030 which increases the EU target for renewable energy sources to at least 30%, to be implemented by means of individual national targets;

2. Welcomes the fact that in 2013 the use of renewable energies enabled the generation of around 388 million gross tonnes of CO2 to be avoided and led to a reduction in demand for fossil fuels in the EU of 116 Mtoe;

3. Takes the view that the Paris Agreement (COP21) must be accompanied by national emissions plans with clear-cut, verifiable commitments on emissions and energy that ensure the commitment to preventing global warming in excess of 2 degrees;

4. Welcomes the progress towards the EU target whereby renewables are to account for 20% of gross final energy consumption by 2020, especially in the electricity generation sectors; calls for further measures to exploit the remaining significant potential of
renewable energy in the heating and cooling sectors to fully achieve the 2020 goals; calls on the Commission to bridge regulatory gaps in those sectors in the post-2020 renewables legislative package;

5. Urges the Member States to make better use of geothermal-sourced heat and cooling energy;

6. Calls on the Member States to generate district heat and cooling energy in centralised locations in urban areas and to use available waste heat for district heating;

7. Welcomes Member States’ progress in meeting specific national renewable energy targets and urges those Member States which are progressing slowly to step up their efforts in order to meet their targets in due time; expects the post-2020 governance framework for the Energy Union to be ambitious, reliable, transparent, democratic and fully inclusive of Parliament in order to ensure that ambitious 2030 climate and energy targets are achieved and to guarantee a level playing field and stable regulatory conditions that foster investor confidence; encourages the Member States to implement and maintain a stable incentives system that facilitates a reliable flow of investment and financing into the renewable energies sector;

8. Considers that the progress made demonstrates the merits of the Union’s renewables policy based on national binding targets, as repeatedly called for by the European Parliament, providing the long-term certainty to industry and investors that is necessary for investment in generation capacity as well as in transmission and distribution infrastructure;

9. Calls on the Commission and the Member States to aim to achieve higher targets than those already set in Directive 2009/28/EC on renewables in the light of the more ambitious commitments made in the Paris Agreement and in view of the fact that, taken as a whole, the nationally determined contributions presented on 30 October 2015 will still entail a 2.70C increase in global warming by the end of the century;

10. Expresses its concern regarding all the areas highlighted in the Commission communication for which the percentage figures in respect of the 2020 targets are well below the overall progress achieved, and calls on the Commission and Member States to take decisive action as regards the most critical technological areas;

11. Supports the measures adopted in some Member States to improve support mechanisms for renewable energy sources, which direct these mechanisms more towards their progressive integration into the market, take account of the maturity of the different technologies and ensure that consumers benefit from technological progress;

12. Calls on the Member States to make full use of the opportunities provided by the cooperation arrangements under the Directive on renewable energies through the statistical transfer of surpluses in order to achieve their 2020 national targets and an energy models with strong emphasis on renewable energy sources; stresses that closer cooperation between the Member States would help ensure the efficient provision of renewable energy to the main consumption points in the EU; encourages the Member States to develop additional programmes that ensure the increased competitiveness of such energies;
13. Notes that each Member State is free to choose the renewable energy sources that best fit its geographical and environmental characteristics; recalls that bioenergy will play an important part in decarbonising the EU; calls on the Member States to give priority to the renewable energy sources and technologies with the least damaging effects on the environment and biodiversity, on human rights and on public health, thanks to improved air quality, while capitalising on the advantage of a specific local and regional potentials to secure a beneficial outcome from renewable energy sources, taking into account the cost-effective realisation of renewable energy targets; calls for measures to ensure improved planning for the deployment of renewable energy, including spatial planning and evaluation of environmental impacts, while fully respecting European and national laws and the efficient functioning of energy markets;

14. Stresses that research and development activities play an essential role in the development of renewable energies; calls on the Commission to support research and development activities in the field of renewable energy (including alternative fuels and geothermal and ocean energy), its storage and the related product development, with a view to making the EU’s renewable energy industry more competitive, while ensuring that SMEs can also take advantage of research and product development funding; believes that increased funding should be earmarked for new-generation renewable energies, including those that are currently under-appreciated, in the mid-term review of Horizon 2020;

15. Considers that the new systems for renewable energy generation such as own-consumption, combined with new technologies, can play a significant part in achieving renewables goals, taking into account all these benefits when designing payment mechanisms for sales of surplus production and use of the grid; calls on the Commission and the Member States to promote the self-production of energy and the implementation and interconnection of local renewable energy grids, to complement their national energy policies; advocates increased consumer participation, on the part of citizens and entrepreneurs, in the local use of renewable energy sources, with the objective of mitigating climate change;

16. Believes that renewable energies can make consumers more aware of their own energy consumption, thus helping to achieve the aim of a creating a consumer-centred Energy Union, and have the potential to boost employment, including in areas of low population density; stresses the need to remove economic, regulatory and administrative barriers in order to empower consumers to take control of their energy use, encourage them to invest in renewable decentralised energy and protect them from energy poverty;

17. Calls on the Member States to develop regulations that are as similar as possible in order to encourage the installation of decentralised renewable electricity generation systems and, especially, to promote own-consumption, both individual and communal, through the establishment of net balance systems;

18. Points to the need for public investment and credit to upgrade electricity grids and adapt them to receive electricity generated using on-site distributed renewable energy resources;

19. Emphasises that financing the development of renewable energy production has entailed disproportionate costs for consumers; takes the view that the Commission and Member States should therefore develop new means of financing based on competitive tendering arrangements and auctions, and create greater certainty for investors by ensuring that
retrospective measures are excluded;

20. Underscores the need to decarbonise the heating, air conditioning and transport sectors by electrifying those sectors;

21. Emphasises that a third of the target the EU has set itself for 2020 in the field of renewable energies in the transport sector could be achieved by using biogas from organic waste, while around 2% of the renewable energies target could be achieved if all organic waste were sent for anaerobic digestion; for this reason, and to further the transition to a circular economy, in which waste is considered a new resource, it is essential that separate bio-waste collection be made compulsory in all EU Member States by 2020;

22. Calls for the partial use of CAP to be maintained and increased in order to support investments in the production and use of renewable energy in the agricultural sector;

23. Expresses concern at the lack of progress in meeting the EU’s 10% target for renewable energy use in the transport sector and draws attention to the importance of reaching that goal from the point of view of lowering greenhouse gas emission levels and reducing EU dependency on imported energy; calls on the Member States to intensify their efforts in order to meet this target in due time; recalls that transport is the only sector in the EU where greenhouse gas (GHG) emissions have risen since 1990; points out that renewable energies are key to achieving sustainable mobility; sees the electrification of transport as one of the most efficient ways to reduce air pollution and GHG emissions in the transport sector; calls on the Commission to consider laying down an ambitious target for renewable energy use in the transport sector and to improve the legislative framework offering prospects for biofuels with high GHG-efficiency, taking into account indirect land-use change (ILUC) in the period after 2020 and, by providing an appropriate incentive to their use, to help open up ‘green’ jobs while averting the adverse effects of ILUC;

24. Calls on the Commission, given the need for greater synergy and consistency in European policies, to lay down sustainability criteria for bioenergy, taking into account a thorough assessment of the functioning of already existing EU sustainability policies and the circular economy policies; recalls that the strengthening of EU energy security should be achieved through the sustainable use of own resources, in line with the objective of improving resource efficiency;

25. Urges caution with regard to the growing trend of use of forest biomass as a leading EU renewable energy source, which can have potentially damaging effects on climate and the environment unless sustainably sourced and properly accounted for; notes that the climate impacts of bioenergy must be accounted for in the long term, given the long periods needed to achieve parity times by harvested forests;

26. Notes that bioenergy already accounts for 60% of renewable energy in Europe and that its use is set to continue to grow; stresses the need to clarify, as a matter of urgency, the greenhouse impacts of the various uses of forest biomass for energy and to identify the uses that can achieve the greatest mitigation benefits within policy-relevant timeframes;

27. Calls on the Commission, when drafting new legislation on the implementation of the EU’s climate and energy policies, to carry out an assessment of the beneficial role played
by European forests as carbon sinks; stresses that European forestry is based on sustainable management and long-term planning, and that the criteria and indicators for sustainable forest management must always apply to the sector as a whole regardless of the end use of the wood;

28. Calls on the Commission to consider the introduction of harmonised sustainable forest management criteria at EU level in order to arrive at an international reference framework to guide the sourcing of forest biomass as renewable energy feedstock;

29. Stresses the importance of maintaining hydroelectric power that can be rapidly mobilised and is environmentally responsible;

30. Highlights the lack of cross-border energy transmission infrastructure, and therefore recalls that for electricity from renewable sources to be fully integrated, the development of network infrastructure and a sufficient number of interconnections in a cost-efficient manner is advisable; calls for the removal of unnecessary bureaucratic barriers and for investment that enables the achievement of the 10 % electricity interconnection target by 2020; highlights the need to alleviate impediments of a non-financial nature and calls for a simplification and harmonisation of authorisation, administrative procedures, permit granting and connection for renewable energy generating plants;

31. Stresses that developing the potential of renewable energy should go hand in hand with the development of all infrastructure, including cross-border infrastructure to prevent unplanned circular processes, as the absence of such infrastructure could result in overloading of the network and in power outages; calls on the Member States who are behind with the construction of such infrastructure to complete construction as quickly as possible;

32. Calls on the Commission to ensure both the integration of renewable energies into the markets on a level playing field with conventional energy sources and the adaptation of the markets to renewable energies;

33. Realises that tax cuts are a powerful incentive for making the shift from fossil energy to renewable energy, and urges the Commission to reform the Energy Taxation Directive and the state-aid rules which are preventing these incentives from being used to their full potential;

34. Calls on the Commission to respect the competence of Member States to decide on their own energy mix, while encouraging cooperation between Member States with a view to learning from best practices;

35. Points out that the new model for using energy from renewable sources should be built from the bottom up and be based on the potential of individual Member States, encouraging them to make optimal use of the resources that are available to them without imposing difficult-to-attain targets on them from the top down;

36. Calls for better legislation on environmental impact assessment to be implemented in connection with renewable energy generation projects, with a view to empowering citizens;
37. Considers that renewable energy is a cornerstone of EU climate and energy policy, and stresses that stability and predictability of policy frameworks is a key requirement for the deployment of renewable energy; deplores, in this regard, the abrupt changes in the policy environment for renewables and the continuation of subsidies to fossil fuels;

38. Calls on the Commission to involve and respect the competences of local and regional authorities, while encouraging cooperation between Member States with a view to learning from best practice.
### RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<table>
<thead>
<tr>
<th>Date adopted</th>
<th>26.4.2016</th>
</tr>
</thead>
</table>
| Result of final vote | +: 60  
                          --: 4  
                          0: 0 |
| Substitutes present for the final vote | Clara Eugenia Aguilera García, Nicola Caputo, Giorgos Grammatikakis, Merja Kylönne, Gesine Meissner, Marijana Petir, Gabriele Preuß, Jasenko Selimovic, Kay Swinburne, Keith Taylor, Mihai Țurcanu |
| Substitutes under Rule 200(2) present for the final vote | Marie-Christine Boutonnet |
2016/2041(INI))

Rapporteur: Younous Omarjee

SUGGESTIONS

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

1. Underlines that COP21 has highlighted the key role of cities and regions in the energy transition and their contribution to climate change mitigation; emphasises the key role of cohesion policy in achieving the objectives of the Renewable Energy Directive and of the Energy Union;

2. Considers, given the specific features of renewable energy sources and the potential to apply them on a range of scales and across many sectors of activity and systems, from the smallest to the largest, that European regions, their cities, and their urban, peri-urban, and rural areas are the nerve-centres of the transformation to clean societies with low emissions of carbon and other pollutants; takes the view that regional-level renewable energy sources should be exploited more efficiently; underlines that the increase in the use of renewable energy sources serves the objective of making them more affordable and of creating more jobs in the green sector;

3. Recalls that dependence on certain non-renewable energy sources has, in addition to its climate impact, undeniable geopolitical and security implications;

4. Considers that the ERDF and the Cohesion Fund can contribute to meeting the targets under Directive 2009/28/EC and the 2030 Framework for Climate and Energy, as well as funding research and innovation in connection with renewable energy generation while supporting job creation and economic growth; underlines the importance of thematic concentration within cohesion policy, since this should contribute to channelling investment towards the low-carbon economy including renewable energies, especially in light of the prominent role of the thematic objective ‘Supporting the shift towards a low-carbon economy in all sectors’; calls on the Member States to increase their efforts and
make best use of the funding opportunities existing for this purpose, while underlining the opportunities for local business development and job creation; recalls the common provisions in the ERDF and the Cohesion Fund supporting the eligibility of projects related to energy efficiency and the use of renewable energy sources in private households, public buildings and enterprises, and believes that regional renewable energy market integration, which could be achieved through such funding, would represent an important contribution of cohesion policy in that respect;

5. Points to the importance of close and detailed monitoring of the use of EU funding for efforts to increase renewables’ share of the energy mix, in order to compile a database to be used in assessing future strategies, as well as keeping track of funding and evaluating its effectiveness;

6. Points out the Cohesion Fund’s support for district heating, and welcomes the fact that renewable energy is increasingly being used in this sector as an alternative to fossil fuels;

7. Considers it disappointing that support for renewable energy sources, which accounted for 1.1% of cohesion policy funds for the 2007-2013 period, has risen to just 1.4% of the same funds for the 2014-2020 period; notes, therefore, the potential for cohesion policy funds to do more to help to meet the targets under Directive 2009/28/EC;

8. Notes that in some Member States which are still far from meeting the targets under the directive, the mobilisation of the ESI funds to develop renewable energy sources remains relatively modest; encourages the national, regional and local authorities, particularly in those Member States, to make full use of the potential offered by the ESI funds, and in this regard underlines the importance of bottom-up planning of sustainable energy measures and exchanging best practices; notes that the different needs, resources and levels of development across EU Member States and regions must be taken into consideration;

9. Encourages Member States to increase their cooperation in order to achieve their targets, in particular by making use of the cooperation mechanisms set up under the Renewable Energy Directive;

10. Maintains that the outermost regions, as well as regions with limited or non-existent infrastructure interconnections for energy systems (‘energy islands’), can set themselves the goal of self-sufficiency in energy, and underlines that the goal of energy security could be achieved through both ESIF and EFSI funding, such that, taking into account local resources, the energy potential of the regions in question could be fully utilised;

11. Believes also that steps should be taken to encourage, in all EU regions, the greatest possible degree of self-generation from renewable sources, starting with public buildings, in order to enhance overall self-sufficiency and, thereby, energy security;

12. Encourages European cities and regions to step up measures already in place or devised and make additional efforts to ensure clean, sustainable, safe, effective and energy-efficient transport, using energy from renewable sources, as the progress achieved towards the 10% objective for renewable energies’ share is not fully satisfactory; considers that investment in electrical charging point systems, conceived on a regional scale, should constitute a priority for all European cities and regions, on the basis of their specificities.
and needs in pursuit of the objective of maximum environment-friendly urban mobility; urges the financing of investment in renewable energy-powered public transport in all Member States, as well as the provision of additional financial incentives on the local and regional level, in order to favour the interconnectedness of urban and peri-urban areas and the promotion of greater self-sufficiency, competitiveness, economic growth, improved road safety and better conditions of employment;

13. Calls on the Commission, by carrying out quantitative measurements in relation to the ESI funding mobilised for the transport sector (EUR 70 billion), to gauge the real impact that the Funds have on efforts to reduce emissions of greenhouse gases and other pollutants and achieve modal shifts in the transport sector;

14. Calls on the Commission and the Member States to ensure that the EU Urban Agenda fully encompasses all targets agreed by Member States under Directive 2009/28/EC and those agreed by the Council for 2030, which contain an emissions reduction requirement with flexibility for Member States to determine their own cost-effective pathways;

15. Calls on the Commission, for the purposes of the new directive which will set the targets to be reached by 2030 under the climate and energy framework, to devise national assessment indicators in close consultation with Member States, based on their regional specificities, with a view to achieving the EU targets under this framework;

16. Calls on the Commission and the EIB Group to intensify their efforts in promoting the EFSI and relevant Infrastructure and Innovation Window investment platforms, in order to mobilise investments in Member States with high renewable energy potential.
# RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<table>
<thead>
<tr>
<th>Date adopted</th>
<th>19.4.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result of final vote</td>
<td>+: 29</td>
</tr>
<tr>
<td></td>
<td>−: 3</td>
</tr>
<tr>
<td></td>
<td>0: 4</td>
</tr>
<tr>
<td>Members present for the final vote</td>
<td>Pascal Arimont, Franc Bogovič, Victor Boštinaru, Mercedes Bresso, Andrea Cozzolino, Rosa D’Amato, Bill Etheridge, Michela Giuffrida, Krzysztof Hetman, Ivan Jakovčič, Constanze Krehl, Slawomir Kłosowski, Andrew Lewer, Louis-Joseph Manscour, Iskra Mihaylova, Jens Nilsson, Andrey Novakov, Konstantinos Papadakis, Mirosław Piotrowski, Stanislav Polčák, Julia Reid, Monika Smolková, Ruža Tomašić, Ramón Luis Valcárcel Siso, Monika Vana, Matthijs van Miltenburg, Lambert van Nistelrooij, Derek Vaughan, Kerstin Westphal</td>
</tr>
<tr>
<td>Substitutes present for the final vote</td>
<td>Daniel Buda, Salvatore Cicu, Viorica Dâncilă, Andor Deli, Ivana Maletić, Maurice Ponga, Davor Škrlec</td>
</tr>
</tbody>
</table>
27.4.2016

OPINION OF THE COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on the renewable energy progress report
(2016/2041(INI))

Rapporteur: Franc Bogovič

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 into its motion for a resolution:

A. whereas it is estimated that biomass imports will triple between 2010 and 2020, and yet EU demand for solid biomass for bioenergy production is to be met mostly using domestic raw materials: whereas it is necessary to move beyond a two-speed Europe in bioenergy, and the development of the bio energy sector should respect the proximity principle, in order to ensure its economic viability and the balanced regional development of an industry over which local populations retain control; whereas, nevertheless, cascading use of renewable resources is a principle which, if enforced by law, could create interference with property rights and might hinder innovation, especially for SMEs; whereas in the past decade the area of forests in the EU has increased by 2 %, while only 60 to 70 % of natural forest growth in the Union is harvested each year; whereas renewable energy sources of agricultural origin make it possible to reduce the energy dependence of the EU, which imports more than 50 % of its energy needs, at a cost of about EUR 400 billion, making it the world’s leading importer of energy;

B. whereas 79 % of the bioethanol consumed in the EU market comes from EU-produced feedstock; whereas efforts should be made to maintain or increase that share; whereas other feedstocks have potential, e.g. not only as a renewable energy source but also as a high protein animal feed which can play a role in decreasing the EU’s dependence on imported GM proteins;

C. whereas renewable bioenergies sustainably produced within the agricultural sector make a large contribution to the EU’s achievement of crucial targets such as mitigating the effects of climate change, reducing its dependence on energy imports, creating jobs and improving incomes in the sector; whereas it is important to modernise agricultural
production in Europe, so as to reduce the potential negative impacts of agriculture on the environment and contribute to an increased use of renewable energy sources;

1. Insists on the importance of promoting and encouraging decentralised energy systems, inter alia the development of on-farm and forestry holding sources of renewable energy production including on-farm waste where appropriate, which can have a significant positive impact in terms of creating new ‘green jobs’, fighting climate change and generating sustainable revenue streams in rural areas, as well as supporting the economic and social development of such areas; believes this would have a positive impact on rural demographics and could, if well managed, preserve the agricultural landscape, which could be particularly beneficial in areas of the EU where farming conditions are particularly difficult and incomes are the lowest; calls for intensive exchange of best practice in order to promote sustainable renewable energy solutions, including tax incentives, technological options and raising public awareness in rural communities, as well as helping local and regional authorities to plan and implement relevant assistance schemes; recommends the effective use of Horizon 2020 for research and innovation in the agricultural sector in order to step up renewable energy generation; recalls that bioenergy can play an important part in decarbonising the EU; calls on the Commission, therefore, to recognise that the contribution of bioenergy should not be allowed to be jeopardised; notes that innovation in the field of bioenergy generation will lead to a more efficient use of biomass and reduce production costs in the long term; points out that the financial aspect is key when it comes to farmers investing in bioenergies;

2. Stresses the fact that a wide range of renewable resources exist, and in particular recognises the value of forest biomass for energy purposes in contributing to the renewable energy targets of the 2030 climate and energy framework and in opening up new business opportunities; emphasises that the energy-generating potential of waste has yet to be fully harnessed; points out that Member States have differing starting-points with regard to possibilities of using forest biomass for energy purposes, and that this should also be reflected in EU policies; calls on the Commission to establish a system to evaluate the contribution that forests make as carbon sinks, and thus to contribute to the development of the renewable energy sector; calls on the Commission and the Member States to establish forest carbon accounting models in order to address key questions concerning forest policy and management options and their impact on carbon stocks and carbon sequestration, in both forests and wood products, so as to ensure that the overall carbon impacts of bioenergy feedstocks are properly accounted for; encourages the Member States and the Commission to remove barriers to the development of intelligent distribution systems, and stresses the importance of supporting new start-ups by introducing ‘smart grids’, which would allow the full potential of renewable energies of agricultural origin to be exploited, and developing special instruments to incentivise farmers and rural cooperatives to enter the market; believes that boosting the creation of short-rotation coppices and tree plantations for industrial use in order to reduce demand for trees from forests would make a major contribution to the maintenance of native forests;

3. Believes that the promotion of renewable energy sources in the EU should not create unnecessary obstacles for the deployment of other energy sources which could improve energy efficiency in the Union, such as peat;
4. Stresses the importance of supporting EU and national framework programmes for research into sustainable renewable energies for agriculture and, in particular, as regards refined and second-generation biofuels, sustainable use of biomass, organic agricultural by-products and the development of fast-growing energy crops, as well as crops with a lifespan of over two years which can achieve a higher biomass yield than annual energy crops, and using feedstocks without land use effect; points also to the importance of research into the grid integration and storage of non-centrally generated renewable energies and of methods for harnessing the energy-generating potential of other types of biomass that are not yet widely used for energy generation; emphasises the importance of developing a European network able to help overcome the fragmentation of research facilities on bioenergy from agriculture by providing the opportunity for researchers to access high-quality experimental facilities and services across Europe; calls for increased incentives to accelerate the sustainable production of biofuels, and in particular the development of sustainable biofuel production facilities, so that they can more intensively make use of various crops and agricultural residues, provided the overall carbon impacts of bioenergy feedstocks are properly accounted for;

5. Encourages the Member States and the Commission to promote the importance of sustainable forest management, and hence the key role of forest biomass as one of the EU’s crucial renewable raw materials for reaching its energy targets; draws attention to the increasing demand for forest biomass, which means that sustainable forest management, in line with the EU forest strategy, should be even further strengthened and promoted, as it is crucial for biodiversity and the ecosystem function of forests, including the absorption of CO2 from the atmosphere; points out the need, therefore, for balanced exploitation of resources grown in the EU and imported from third countries, bearing in mind the very long regeneration time required for wood;

6. Encourages the Member States and the Commission to promote the importance of the sustainable forest-based bioeconomy and of wood as one of the EU’s crucial renewable raw materials; calls on the Commission, therefore, to channel more EU funds into boosting the plantation of short-rotation coppices and tree plantations for industrial use in the EU;

7. Urges the Member States to eradicate unnecessary barriers and to improve existing administrative procedures in order to encourage investment in the development and construction of facilities that use bioenergy, and thus to contribute to the development of ‘green entrepreneurship’ and the creation of ‘green jobs’ in rural areas;

8. Recalls the importance of promoting and supporting local renewable energy cooperatives, to be empowered with the skills and capacity to efficiently manage renewable resources in both rural and urban areas, in order to increase public and private support for renewable energy; calls on the Member States, in this respect, to ensure that their regulatory frameworks for renewables, and especially their support schemes, do not lead to unnecessary distortions with regard to energy production and competitiveness in the EU; calls on the Commission to conduct and present a study on how current subsidies affect the investment landscape and the transition to sustainable energy in the EU’s rural areas; encourages the development of energy initiatives in line with the principles of the circular economy, by which farmers and landowners would be incentivised to create district heating schemes using on-farm waste and by-products; encourages the Commission and
the Member States to consider undertaking measures aimed at facilitating the selling of surpluses from agriculture-based renewable energy production;

9. Underlines the importance of the transport sector for the EU’s rural areas; notes that transport is the sector that has seen least progress in using renewable energy sources, with a figure of only 5.4% for renewable energy in 2013 compared to the 10% EU target for 2020; calls, therefore, on the Member States to intensify their efforts to meet the targets concerned in due time, and to consider strengthening the link between the transport and electricity markets by promoting electric and plug-in hybrid vehicles in order to meet the targets;

10. Calls on the Member States and the Commission to encourage the creation of ‘local agro-energy districts’ constituting territorial reference units that bring together all the relevant skills to reduce the intermediate stages between the production of renewable energy from agriculture and the marketing thereof, thereby reducing both prices for European consumers and distribution difficulties, while at the same time boosting the market in bioenergy of agricultural origin and the number of people employed in the sector;

11. Encourages the Commission and the Member States also to recognise the profitability of using heat pumps in the agricultural and food processing sectors;

12. Encourages the Commission and the Member States to recognise the underexploited potential of extracting renewable energy from the sea, as well as the benefits of using marine resources in biogas production for the agricultural sector;

13. Emphasises that the production of biofuels should not interfere with food production or compromise food security; believes, however, that balanced policies to promote increased European yields in feedstock crops such as wheat, maize, sugar beet and sunflowers could include provision for biofuel production, taking account of indirect land use change (ILUC), in a way which could provide Europe’s farmers with a secure income stream, attract investment and jobs into rural areas, help address Europe’s chronic shortage of (GM-free) high-protein animal feed, make Europe less dependent on fossil fuel imports, and help the EU reach its greenhouse gas targets while minimising concerns regarding land use change and other environmental factors; believes that in cases of market oversupply of the agricultural products referred to, the production of biofuels and bioethanol would represent a temporary outlet which would maintain sustainable purchase prices, safeguard farmers’ incomes during crises, and serve as a market stability mechanism; stresses the need to encourage the integration of uncultivated arable land which is not being used to produce food into the production of bioenergy, with a view to meeting national and European renewable energy objectives;

14. Believes that livestock manure can be a valuable source of biogas via the use of manure processing techniques such as fermentation, while also stressing the importance of making this an economically viable option for farmers;

15. Proposes the establishment of a mechanism to guarantee the long-term stability of purchase prices for individual farmers, producers or companies supplying energy produced from biomass to energy distributors;

16. Notes the importance of being able to link with the electricity grid so that rural energy
producers can sell surplus renewable energy generated at a fair price, thus making it possible to incentivise or oblige electricity companies to purchase such electricity first.
RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<table>
<thead>
<tr>
<th>Date adopted</th>
<th>26.4.2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result of final vote</td>
<td>+: 35</td>
</tr>
<tr>
<td></td>
<td>–: 7</td>
</tr>
<tr>
<td></td>
<td>0: 0</td>
</tr>
<tr>
<td>Substitutes present for the final vote</td>
<td>Pilar Ayuso, Franc Bogovič, Jean-Paul Denanot, Jens Gieseke, Ivan Jakovčić, Norbert Lins, Anthea McIntyre, Sofia Ribeiro, Ramón Luis Valcárcel Siso</td>
</tr>
</tbody>
</table>
RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<table>
<thead>
<tr>
<th>Date adopted</th>
<th>24.5.2016</th>
</tr>
</thead>
</table>
| Result of final vote| +: 34  
|                     | --: 30  
|                     | 0: 0                                   |

**Members present for the final vote**

**Substitutes present for the final vote**
Amjad Bashir, Jens Geier, Gerben-Jan Gerbrandy, Benedek Jávor, Constanze Krehl, Olle Ludvigsson, Piernicola Pedicini, Markus Pieper, Massimiliano Salini, Anne Sander, Indrek Tarand, Anneleen Van Bossuyt

**Substitutes under Rule 200(2) present for the final vote**
Daniel Dalton