



EWEA
THE EUROPEAN WIND ENERGY ASSOCIATION

Making 180 GW a reality by 2020

EWEA Position on the future EU legislation for renewable energy and its impact on the wind industry

EXECUTIVE SUMMARY

Europe is the world leader in wind energy, a technology that is vital to help address the issues of security of supply, oil and gas price volatility, sustainable development, climate change, strong economic growth, technological progress, employment creation and higher exports. Not only does wind power reduce carbon emissions and provide security of supply, it also helps the EU make progress on the Lisbon agenda through greater investment in clean technology with up to 368,000 new jobs expected to be created in the EU between 2000 and 2020¹. According to European Wind Energy Association (EWEA) forecasts, 180 GW can be installed in the European Union by 2020, capable of meeting approximately 13% of EU electricity demand.

With regard to the upcoming EU proposal on the RES legislation up to 2020, EWEA would like to express its views in a number of critical issues:

Harmonisation of the support schemes

The Association is against the harmonisation of the support schemes mechanisms at this stage and recommends that the European Commission continues its efforts to identify differences in support mechanisms among the Member States through a holistic approach.

The creation of a single - truly competitive - internal electricity market should precede, and not follow, the establishment of a single payment mechanism for RES-e.

Cross-border trade of electricity guarantees of origin (E-GoO) from RES

EWEA would like to establish a set of principles that should guide any discussion on this matter:

- **RES targets have to be met primarily through domestic action.** All countries –with the possible exception of Luxembourg and Malta- do have the potential to achieve 20% of their energy consumption with RES. The flexibility that they have in the choice of sector and technology already ensures that this is done at a modest cost and with large benefit to their local population.
- **The eventual development of international trading in renewable E-GoO must not undermine existing national support schemes, the meeting of the national renewable energy targets and the exploitation of national potential.** Trading will only be acceptable if it maximises the exploitation of renewables.

¹ MITRE project. EC, 2004. Available at: <http://mitre.energyprojects.net/>

- **Trade should be voluntary.** The European Commission cannot oblige Member States to introduce a minimum trade cap in their renewable action plans (RAP), if they think that they can best achieve their national targets domestically.
- **Cross border sale of E-GoO should only occur once national targets have been achieved and should be controlled by the Commission on an annual/ biannual basis (interim targets).** It must be understood that trading would be a mechanism to allow for production optimisation once that there is liquidity of RES-e, and not a substitute for existing national support mechanisms.
- **A strong legal compliance mechanism** is needed.
- Finally, in EWEA's opinion, **there are other, possibly less complex means, to introduce flexibility in the system without managing an intricate EU-wide trade mechanism.** For instance, the creation of an EU fund, which starts paying each kWh of electricity that exceeds the national target, thus alleviating the financial burden of the Member States that are performing well. A slightly different option would be the creation of an EU fund in which the countries (where feed-in tariffs exist) or companies (guarantees of origin model) that foresee difficulties in complying with the target internally could place a pre-defined amount of financial resources to be used by countries/ companies who can over-achieve their national target/ company quota, so that the EU overall target can be met.

Division of the 20% target by Member State

In EWEA's view, the 20% target should be split in a transparent and fair manner, with shares that are ambitious for all countries.

Link between RES and GHG targets

The EU ETS, which limits GHG emissions in the EU, cannot take full account of the benefits of wind energy and the other RES technologies in terms of security of supply, competitiveness or employment creation. For that reason, **both legislations should remain separate.**

The appropriate approach to setting the CO₂ and the RE targets would be to **work out the renewable and energy efficiency targets first**; take into account the emissions reduction that these efforts will bring for each country, and then work out how to distribute the remaining CO₂ reduction.

Renewable Action Plans

The Renewable Action Plans **have to be legally binding, contain sector specific targets and an indication on the financial resources** that will be made available by Member States. Regular progress reports (every two years, for instance) will allow the Commission to require Member States to take further action in order to meet national targets.

Administrative barriers

The new Directive must guarantee that **administrative processes are optimised onshore and offshore**, by promoting the one-stop-shop approach,

Grid system issues

Article 7 of the RES-E directive should be strengthened to **ensure priority access to the grid in all Member States**. The Commission should play a much more active role in securing the investments in the grid to guarantee transport of RES-e from regions with high potential to regions with lower potential. Overall, more strategic planning and grid infrastructure is needed, in recognition of the time needed for improvements.

Long gate-closure times should be reduced and balance market rules adjusted to improve accuracy of forecasts. Curtailment of electricity production from wind power plants should be managed according to least-cost principles from a complete-system point of view. Grid codes should reflect the true technical needs for system operation and should be developed cooperatively between grid operator, the wind energy sector government bodies and regulators.