


# Renewable Energy and the European Climate Change and Energy Package

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# What is the European Climate Change and Energy Package?

**Comprehensive legal regime designed to create a long-term, stable investment framework for the carbon and renewables sectors in Europe**

**Overall aim of the package is to achieve:**

- a 20% reduction in European GHG emissions by 2020
- 20% of final energy consumption from renewable sources by 2020

**Targets DO NOT depend on outcome of Copenhagen (although GHG emission target may increase to 30%)**

**Climate change, security of supply and European competitiveness are the main drivers**

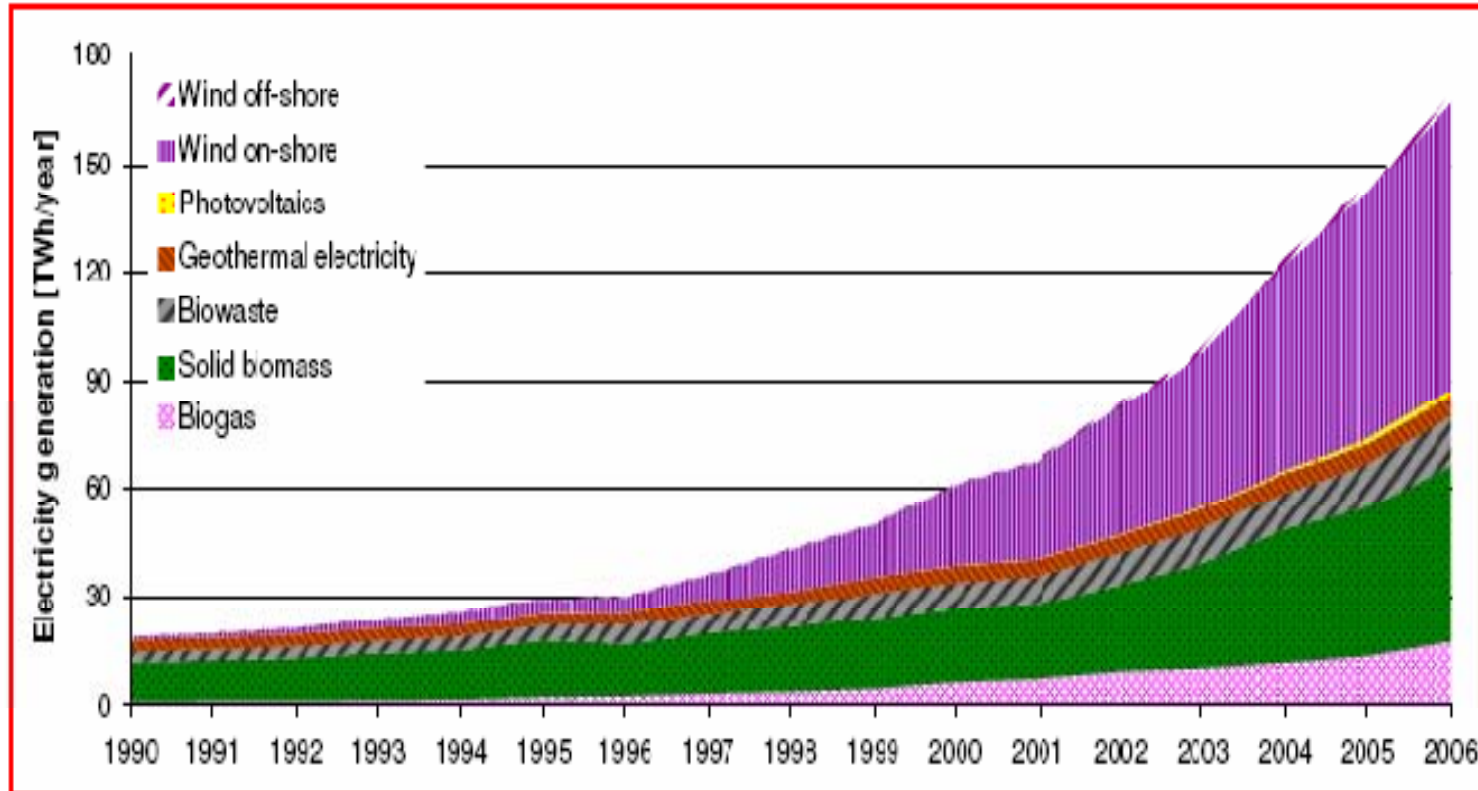
# This is not the first renewables target Europe has set for itself...

**1997 EU white paper set a goal to double Europe's renewable energy from 6% to 12% by 2010**

**2001 Renewable Electricity Directive set a target of 21% of Europe's electricity from renewable energy sources (then 14%)**

- Non-binding targets for each member state (from 5.7% for Luxembourg to 78% for Austria)
- 2001 directive did not prescribe means to hit targets - left for members to decide

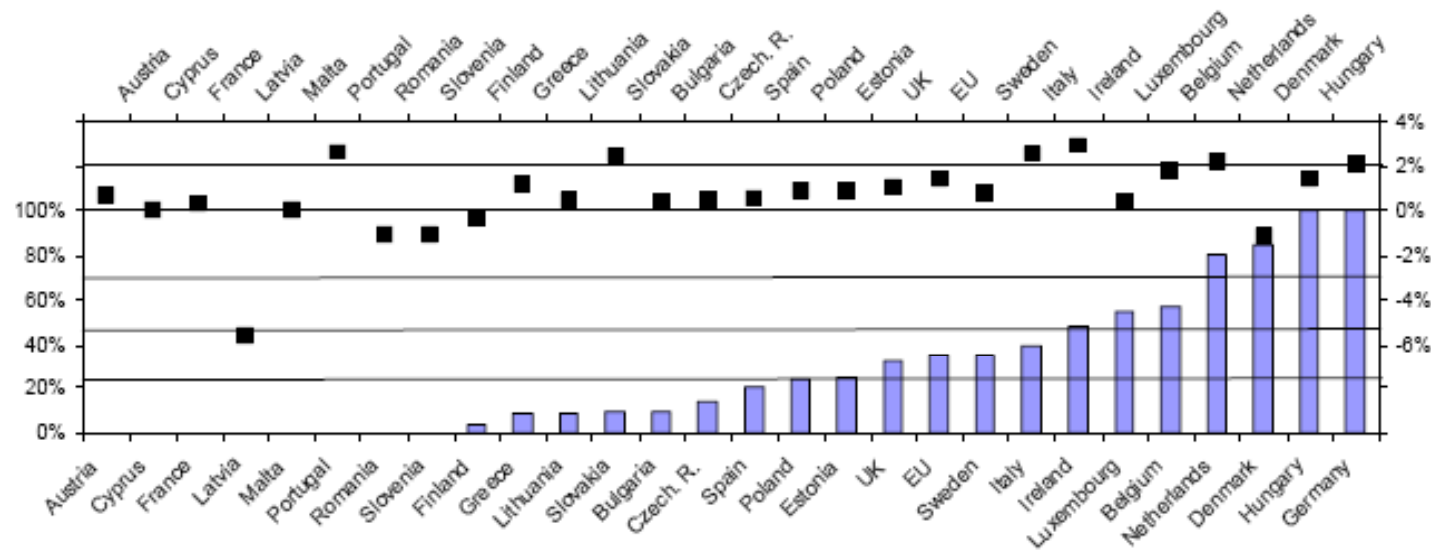
# Although renewable electricity has grown across Europe since 1997...



Source: "Promotion and growth of renewable energy sources and systems" Final Report, Ecofys et al. (hydropower excluded)

# The previous targets won't be met and performance has been patchy

The progress made towards the 2010 target (columns and left hand axis) and the change in Member State's renewable electricity shares 2004-2006 (points, right hand axis).



Source: based on normalised Eurostat 2006 data and 2010 targets

# Main reasons for the patchy performance: lessons learned

## 1. Nature of the financial support scheme

Lack of stability in some member states and insufficient support to cover generation costs

## 2. Administrative barriers

Same planning and licensing system for conventional power projects applied to renewable energy projects in some member states

## 3. Lack of grid access

Grids designed for conventional power projects and no special rules in some member states for obliging grid operators to grant access to renewable projects

# What does the new directive look to do differently for renewable energy?

**Differentiated targets increased** and now based on all energy consumption (not just electricity) – also a 10% target for renewable energy in transport

Obligations to promote **energy saving and energy efficiency**

**Targets are now mandatory** and measures must be introduced to hit an indicative trajectory – although member states can still design their own support schemes

**National Action Plans must be prepared** to demonstrate how targets will be achieved

# What does the new directive look to do differently for renewable energy? (cont.)

**Flexibility mechanisms have been introduced** to help member states meet their targets

**Administrative barriers to be eased** for renewables

**Grids must be upgraded** to accommodate renewables

**Priority grid access must be given** for renewables

**New biofuel sustainability requirements** have also been introduced

# What can we expect from here?

**Member states now have 18 months to implement the Package (including the Renewables Directive)**

**Expect a flurry of activity as member states develop new financial support schemes & regulatory frameworks that make investment in renewable energy attractive**

**Increased investment in renewable energy in Europe as investment conditions are improved**

# THANK YOU

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