

# Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast)

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EURELECTRIC voting recommendations (ITRE Committee)

October 2017

***EURELECTRIC is the voice of the electricity industry in Europe.***

*We speak for more than 3,500 companies in power generation, distribution, and supply.*

***We Stand For:***

***Carbon-neutral electricity by 2050***

We have committed to making Europe's electricity cleaner. To deliver, we need to make use of **all low-carbon technologies**: more renewables, but also clean coal and gas, and nuclear. Efficient electric technologies in **transport and buildings**, combined with the development of smart grids and a major push in **energy efficiency** play a key role in reducing fossil fuel consumption and making our electricity more sustainable.

***Competitive electricity for our customers***

We support well-functioning, distortion-free **energy and carbon markets** as the best way to produce electricity and reduce emissions cost-efficiently. Integrated EU-wide electricity and gas markets are also crucial to offer our customers the **full benefits of liberalisation**: they ensure the best use of generation resources, improve **security of supply**, allow full EU-wide competition, and increase **customer choice**.

***Continent-wide electricity through a coherent European approach***

Europe's energy and climate challenges can only be solved by **European – or even global – policies**, not incoherent national measures. Such policies should complement, not contradict each other: coherent and integrated approaches reduce costs. This will encourage **effective investment** to ensure a sustainable and reliable electricity supply for Europe's businesses and consumers.

***EURELECTRIC. Electricity for Europe.***

Dépôt légal: D/2017/12.105/47

## Introduction

This document contains a full list of voting recommendations on the RES Directive proposal (see table here below). Here below is a short summary of these on the on most crucial issues:

- **Promote a higher share of renewable energy through a clear and stable investment framework until 2030**

The aim of the revised RES Directive is to promote the uptake of renewable energy. In this regard, it is crucial to provide longer-term visibility and investment security to companies engaging in RES projects. Fundamental design principles of financial support, when needed, should be known to investors well ahead of 2020. They should be fixed in the Directive. At the same time, EURELECTRIC calls for a quick revision of the State Aid Guidelines to ensure certainty and visibility for investors until 2030.

Support Amendments: 40, 41, 47, 546, 551, 553, 555, 557-560, 569, 570-573, 580, 581, 599, 606, 658, 659, 660, 705-707.

Reject Amendments: 48, 547, 548, 549, 550, 552, 554, 561-564, 568, 577-578, 579, 582, 649, 650, 652-654, 661-662, 663, 713, 714.

EURELECTRIC supports the proposed EU-wide target of at least 27% as the only binding target for renewables by 2030. EURELECTRIC fully supports elements in the Clean Energy Package aimed at integrating renewable energy in the market, including RES self-consumers, and at making RES support schemes, when needed, more market-based while ensuring a positive investment climate.

Support Amendments: 522-526.

Reject Amendments: 26, 30-32, 34, 35, 37, 335-338, 340, 469-471, 473-476, 478, 482-485, 489, 490, 492-494, 509, 514-517, 530-533, 1278-1280.

- **Integrate RES self-consumers into the market**

We support the right for consumers to generate and sell their electricity both individually and collectively. EURELECTRIC welcomes the recognition that remuneration for renewable self-consumers should be based on the market value of the electricity fed in (and not implicitly at the retail price). Moreover, as this business model matures in the future, RES self-consumers should become market participants. At the same time, the removal of barriers to prosumers' participation and to RES Communities should not create distortions or additional costs to the end-users who decide to remain pure consumers, i.e. traditional customers should not be penalised and policies should avoid consumer divide.

Support Amendments: 922-924, 938-939, 951-952, 954-955, 960-961, 973, 977, 980-982, 1013, 1017-1022.

Reject Amendments: 943-944, 945-949, 953, 957-959, 962-964, 976, 1010-1012, 1016, 1023, 1026.

- **Generators receiving financial support should be able to receive GOs**

Guarantees of Origin (GOs) were formally and fully established in the EU RES Directive (2009/28/EC) with the sole function of providing final consumers that a given share or quantity of energy was produced from renewable sources. Their primary purpose is to enable electronic registration and tracking of technology-specific energy production for fuel mix disclosure and transparency purposes. For this reason, financial support (through RES support schemes) and tracking (through GOs) should be kept separate from each other as they are 2 different concepts. EURELECTRIC therefore supports the issuance of GOs to all RES producers, including those who receive financial support. This will strengthen the consumer link to specific RES facilities where (corporate) clients or local communities enter into longer-term partnerships with energy companies in order to develop specific renewables projects together (e.g. via PPAs), and increase market-based RES revenues. There are other ways to address possible concerns over double compensation. Importantly, market revenues from GOs will reduce the need for, and the level of, RES support. In any case, changes to the current framework on GOs should apply only to new installations as to ensure the proper level of investor and regulatory certainty.

Support Amendments: 836-838, 840, 845.

Reject Amendments: 822, 828, 831-835, 877-879.

- **Reflect renewable electricity in transport and heating properly**

The transport sector is one of the biggest decarbonisation challenges for Europe. Electrification can provide major benefits here – by increasing the share of RES in transport, while cutting GHG emissions and increasing energy efficiency at the same time. To support this development, it is crucial to provide a level-playing field among all existing technologies. EURELECTRIC therefore calls for: exemption of electricity suppliers from the advanced biofuel sub-obligation, tradability of certificates proving the use of renewable energy in transport (including renewable electricity) and attributing a multiplier of 5 to renewable electricity, in order to balance the higher efficiency of electric motors.

Support Amendments: 81, 1195, 1199, 1225, 1226, 1232, 1239, 1240.

Reject Amendments: 1159, 1161, 1162, 1164, 1181, 1188, 1189, 1213, 1214, 1215, 1216, 1217, 2018, 1227, 1230, 1231, 1248.

For heating, Member States should be encouraged to make full advantage of sector coupling, as electricity supply becomes less CO<sub>2</sub> intensive.

Support Amendments: 905, 1034, 1096, 1107, 1122.

EP Amendment	Article	EURELECTRIC Recommendation	Comment
<b>EU binding overall target for 2030 &amp; binding national targets</b>			
26, 335-338, 340	Art. 1 (1)	<b>Reject</b>	EURELECTRIC supports the proposed EU-wide target of at least 27%, as the only binding target for renewables by 2030. We believe that the Governance system of the Energy Union should offer a robust system of tools to ensure the attainment of the EU's climate and energy targets, including the EU-wide RES target, while allowing the necessary flexibility to Member States in the adoption of national policies and measures.  The European power sector is committed to achieving a carbon-neutral power supply in Europe by 2050. RES is fundamental to the decarbonisation of the power sector. Meeting the EU's target of a 20% share of RES in final energy consumption by 2020 requires the power sector to contribute with a RES share of 35%. The 2030 climate and energy framework, with an at least 27% EU-wide target for RES and an at least 40% GHG reduction target, is estimated to imply a share of around 47-50% RES in the power sector by 2030.
30, 469-471	Art. 3 (title)		
31, 473-476, 478, 482-485	Art. 3 (1)		
32	Art. 3 (1) 1 (a) (new)		
489	Art. 3 (1) (a) (new)		
490	Art. 3 (1) (b) (new)		
34	Art. 3 (2)		
492-494			
35, 509	Art. 3 (5)		
1278-1280	Annex I-Part A		
<b>Definitions</b>			
<i>Repowering</i>			
395-397, 399	Art. 2 (2) z	<b>Support</b>	Repowering is an essential tool to reach the 2020 and 2030 targets at the minimum cost and to maintain the EU's leadership in RES. Technological advancement in RES allows to increase capacity in already developed sites.

EP Amendment	Article	EURELECTRIC Recommendation	Comment
<i>Renewable self-consumer</i>			
401, 403, 404, 406, 408, 409, 412	Art. 2 (2) aa	Reject	The phrase “his or its premises” could be interpreted to mean that these provisions could apply to different assets owned by the same consumer at different locations. Instead, the definition should clearly refer to generation and consumption of electricity behind the grid connection point.
402, 405, 410, 411		Support	
<b>Financial support for electricity from renewable sources</b>			
37, 514-517	Art. 4 (1)	Reject	With the broad experience from significant deployment of RES in the European energy market over the last years, the technological development and market experiences have given the power industry confidence that renewables are becoming fully competitive with other power generation technologies. This will require that future RES deployment is sustainable, cost-efficient and based on market fundamentals.  EURELECTRIC welcomes the clear acknowledgment that financial support should be applied only when needed. We also welcome that support schemes for RES should avoid unnecessary market distortions, ensure that producers take into consideration supply/demand of electricity and grid constraints, integrate renewable electricity in the market and ensure that producers respond to market price signals.  EURELECTRIC supports technology neutral policy measures. However, in justified cases, Member States should have the possibility to opt for technology-specific support, to accommodate the level of maturity of technologies, the system impact of different technologies and other environmental aspects. When support is granted through tendering, it should be designed in a way that ensures high project realisation rates (pre-qualification requirements, penalties for delay/non- delivery, investment horizon) while not stifling competition. Member States should be allowed to deviate from tendering if this can be duly justified. Against this background,
522, 526		Support	
530-533	Art. 4 (2)	Reject	
546, 551, 553, 555, 557-560	Art. 4 (3)	Support	
547, 548, 549, 550, 552, 554,561-564		Reject	
40, 569, 570-573	Art. 4 (3) (a) (new)	Support	
568		Reject	
41	Art. 4 (3) (b) (new)	Support	
577-578	Art. 4 (3) (b) (new)	Reject	
579	Art. 4 (3) (c) (new)	Reject	
580	Art. 4 (3) (c) (new)	Support	
581	Art. 4 (3) (d) (new)	Support	
582	Art. 4 (4)	Reject	
599	Art. 4 (4) (a)	Support	

	(new)		EURELECTRIC urges the Commission to proceed quickly with the adoption of the revised EEAG for the period post-2020 after the final adoption of the legislation under the Clean Energy Package. This will ensure consistency with the current revision of the RES legislative framework and provide increased certainty and visibility for investors up to 2030.
606	Art. 4 (4) (b) (new)	Support	
<b>Opening of support schemes for renewable electricity</b>			
611	Art. 5	Reject	Opening of the national support schemes for generators located in other Member States can, if implemented properly, promote the development of renewable projects in locations where they provide the most value for money, in line with the principle of cost-effectiveness. It could also lead to more compatible support schemes based on common principles which would help to reduce regulatory complexity and uncertainty for investors. EURELECTRIC supports the opening of existing support schemes but we are concerned that the mere requirement to open a certain amount of the national support schemes to operators located in other Member States will result in competition distortions due to differences between Member States' regulatory framework conditions.  Against this background, EURELECTRIC thinks that this should follow a stepwise approach, built on the existing rules in the EEAG. The Commission should regularly assess and report on the implementation of this Article. Furthermore, in view of the risk of oversupply in certain regions, especially where bottlenecks in transmission occur, EURELECTRIC proposes to introduce an exemption for Member States from the obligation to open up support schemes where insufficient interconnection occurs. Similarly, exemptions should be possible for countries where most good locations are already taken, as this could lead to one-sided results where winning RES projects will go abroad.
612, 614,	Art. 5 (1)	Reject	
613		Support	
43, 628, 629, 631	Art. 5 (2)	Reject	
627, 630		Support	
635	Art. 5 (2) (a) (new)	Support	

Stability of financial support			
48, 649, 650, 652-654,	Art. 6 (1)	Reject	EURELECTRIC welcomes the explicit reassurance in the text of the proposal that new rules for the period after 2020 should not lead to negative retroactive implications for existing investments. However, it should not preclude any negative change in the regulatory environment.
47, 658		Support	
659, 660	Art. 6 (1) (a) (new)	Support	
661-662	Art. 6 (1) (b) (new)	Reject	
663	Art. 6 (1) (c) (new)	Reject	
Organisation and duration of the permit granting process			
705-707	Art. 15 (1) 2 (a)	Support	EURELECTRIC calls for a long-term and predictable timeframes needed to guarantee certainty for investors. A stable and predictable framework is paramount if the EU wishes to maintain its leadership in renewables. An indicative timetable for the allocation of financial support is not enough.
713, 714	Art. 15 (3)	Reject	
760-762, 764	Art. 15 (9)	Support	EURELECTRIC welcomes provisions to facilitate corporate long-term contracts between RES operators and commercial/industrial consumers. We believe that all obstacles should be removed and that this provision should also cover regulatory and information barriers
765		Reject	
766	Art. 16	Reject	EURELECTRIC supports the proposal to establish single administrative contact points to coordinate the entire permit granting for RES and associated transmission and distribution.
767	Art. 16 (1)	Reject	
768, 772	Art. 16 (2)	Support	
769-771		Reject	
786	Art. 16 (5)	Support	
			Article 16(1) includes associated transmission and distribution network infrastructures in the permit granting process. In the case of repowering, it should be ensured that access and connection rights to the grid are at least maintained for the original capacity. They could also be increased if needed. This should respect the rules in article 11 paragraph 4 of the proposed Electricity Regulation (where existing



			exemptions in relation to priority of dispatch are kept without extending the time horizon of the existing exemptions).
<b>Guarantees of origin</b>			
822	Art. 19 (1)	Reject	The sole purpose of GOs is disclosure without any requirement of additionality.
828, 831-835	Art. 19(2)	Reject	EURELECTRIC supports the proposal's provision to open the possibility to issue GOs for all types of energy sources, on a voluntary basis.
836-838, 840, 845	Art. 19(2) 3	Support	The Commission's proposal to prohibit issuance of GOs to producers that receive financial support blurs the existing clear distinction between support and disclosure schemes. There are ways to address possible concerns over double compensation. In case financial support is granted via competitive tenders or certificate systems, there is no risk of double compensation since RES producers would take into account the value of GOs in their bids, which would lower the need for support payments. Also, in case the support level is decided administratively, ways can be found to deduct (e.g. a reference value of GOs from the support payments) in order to avoid double compensation.
877-879	Art. 19 (13)	Reject	EURELECTRIC welcomes the fact that the proposal mandates the verification of electricity produced with RES with the GOs.
<b>Renewable self-consumer</b>			
922-924	Art. 21(1) 1 (a)	Support	Renewable self-consumers should be subject to cost-reflective network charges like other consumers. These self-consumers are still dependent on the grid because their generators only generate electricity when the sun shines or the wind blows. Consequently, fixed costs of the power supply system have to be paid by a smaller amount of consumers, leading to a multiple burden for those who are being charged. A proper distribution of network fees, taxes and levies is essential; i.e. there should be no discrimination between prosumers and traditional consumers in terms of network charges, policy costs and levies and other taxes.
951-952	Art. 21(1) 1 (da) (new)	Support	
953		Reject	
957	Art. 21(1) 2 (a)	Reject	
977	Art. 21(3) (a) (new)	Support	

			Policy makers should avoid introducing measures which lead to consumer divide.
938-939	Art. 21(1) 1 (c)	Support	The implications of being classified as an “energy supplier” are not defined. For the future renewable self-consumers should not be exempted from balancing responsibilities. This does not mean that they should become Balance Responsible Parties (BRP) themselves but they can outsource this obligation e.g. to their supplier or aggregator who will play an important role to facilitate market integration of renewable self-consumers.
943-944		Reject	
954-955	Art. 21(1) 2	Support	
960-961	Art. 21 (2)	Support	
958-959, 962-964		Reject	
945-949	Art. 21(1) 1 (d)	Reject	EURELECTRIC is convinced that prosumers should be integrated in the market. We welcome the recognition that remuneration for prosumers should be based on the market value of the electricity fed in (and not implicitly at the retail price). Non-market based net-metering schemes for prosumers are contrary to market integration and should be phased-out
973	Art. 21(3)	Support	This amendment allows third parties to own or operate a renewable installation with the consent of the consumer and could help develop this market.
976	Art. 21(3) a (new)	Reject	While renewable self-consumers will play an important role in the development of RES, setting a binding national target specifically would not be cost-efficient.
<b>Renewable energy communities</b>			
980-982	Art. 22 (1) 1	Support	Renewable Energy Communities (RECs) should be treated as an integrated part of the system and not in isolation. There should be no discrimination between communities’ members and other system users in terms of network charges, policy costs and levies and other taxes. Support schemes should ensure a level playing between all market players regardless of their size, ownership structure or legal form. Other options to reduce the risks for RECs should be found, for example through a special form of insurance.
1017-1022	Art. 22 (2)	Support	
1016, 1023		Reject	
1013	Art. 22 (1) 2 (e)	Support	The specificities of RECs should be recognised and they should not face undue administrative barriers, but the threshold of 18 MW is too high, particularly in certain Member States. There
1010-1012		Reject	

			could be issues of level playing field with other market players.
1026	Art. 22 (2) a (new)	Reject	While RECs will play a role in the development of RES, setting a binding national target specifically would not be cost-efficient.
<b>Heating and Cooling</b>			
905	Art. 20 (3)	Support	The amendment promotes the use of heat pumps in district heating.
1034	Art. 23	Support	While it is necessary to achieve a transition also in the heat sector, a too descriptive quota might be counterproductive. However, Member States should be called to take action.
1096,1107, 1122	Art.24	Support	Expansion/reinforcement of district heating/cooling systems for being able to integrate renewables should be supported.  However, having a non-conditional right to access to third parties doesn't respect the specificities of the grid structure in different Member States and should therefore stay at national level.
<b>Renewable energy in transport</b>			
1159, 1161, 1162, 1164	Art 25 (1.1)	Reject	EURELECTRIC support the Commission's initial proposal on the definition of advanced biofuels – opening this definition to other biofuels will bring significantly less environmental benefits. Equally, first generation biofuels should not count towards the fuel supplier obligation. Advanced conventional fuels are not renewable and therefore should not be accountable for under this obligation either.
81	Art 25 (1.2a (new))	Support	Electricity suppliers need to be exempted from the sub-target for advanced biofuels – this however has to apply for all suppliers of electricity the transport sector, not only those who are supplying renewable electricity only. Therefore EURELECTRIC support the initial amendment in the draft report of rapporteur Blanco Lopez.
1181		Reject	
1188	Art 25 (1.4. (b))	Reject	The second part of this amendment calls for accounting renewable electricity in transport towards the obligation only when supplied at

			dedicated charging stations. EURELECTRIC believes that in the long run indeed all charging stations and charging wall boxes should be equipped with separate metering – however, until this is the case, the electricity supplier supplying a household which owns an electric car should be allowed to estimate the electricity consumption of the EV. This is already usual practise under the Fuels Quality Directive.
1195, 1199	Art 25 (1.4. (b))	Support	Alternative fuels should be set at a level playing field – therefore renewable electricity in all transport sectors should count towards the obligation, just as it is the case for, e.g. advanced biofuels. The electricity going into the transport sector is measured at dedicated charging points.
1189	Art. 25 (1.4 (b))	Reject	This amendment gives a multiplier of 2 to certain types of biofuels, which is not justified by any efficiency gains.
1213	Art 25 (3.1)	Reject	Metering can be done either in the charging point or on board the car - rules about metering are beyond the scope of this Directive. Accounting for renewable electricity shall be based exclusively on Guarantees of Origin. In any case, the two systems (GOs and national/European RES share) should not be mixed.
1214, 1215, 1216, 1217, 2018	Art 25 (3.1), Art 25 (3.1 (a new))	Reject	Accounting for renewable electricity shall be based exclusively on Guarantees of Origin.  In any case, the two systems (GOs and national/European RES share) should not be mixed – when opting for the European average as the baseline, no additional cancellation of GOs should be necessary.  Additionality should be no pre-requisite for accounting renewable electricity.
1225, 1226	Art 25 (3.3 (a))	Support	Accounting for renewable electricity shall be based exclusively on Guarantees of Origin.
1227, 1230		Reject	
1231		Reject	Guarantees of Origin should not be used to account towards the national renewable energy targets.
1232	Art 25 (4.1)	Support	A database for tracing renewable fuels in transport is crucial to check on compliance. The European Commission is best suited to put such

			<p>a database in place.</p> <p>A trading mechanism is crucial to incentivise over-achievers to continue investment.</p>
1239	Art 25 (4.3)	Support	If needed, the Commission should be able to complement this Directive by technical specification on the use and content of the renewable fuels database.
1240	Art 25 (5)	Support	The Commission shall publish information from this database.
1248	Art 25 (7a)	Reject	<p>The proposed amendment on additionality for renewable electricity in transport, put an extra burden on electricity, which is not put on other fuels. Furthermore, the target is set higher for electricity than for other fuels by requiring 100% of additional electricity to be renewable.</p> <p>Furthermore, the proposed amendment is excessively complex, putting a high administrative burden on electricity suppliers.</p>

EURELECTRIC pursues in all its activities the application of the following sustainable development values:

Economic Development

▶ Growth, added-value, efficiency

Environmental Leadership

▶ Commitment, innovation, pro-activeness

Social Responsibility

▶ Transparency, ethics, accountability



Union of the Electricity Industry - EURELECTRIC aisbl  
Boulevard de l'Impératrice, 66 - bte 2  
B - 1000 Brussels • Belgium  
Tel: + 32 2 515 10 00 • Fax: + 32 2 515 10 10  
VAT: BE 0462 679 112 • [www.eurelectric.org](http://www.eurelectric.org)  
EU Transparency Register number: [4271427696-87](https://ec.europa.eu/transparency/regexp1/?table=init&language=en&search=4271427696-87)