

# European Commission legislative proposal to revise the Renewable Energy Directive

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A EURELECTRIC position paper

April 2017

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## KEY MESSAGES

- ]) 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 sources (RES) in the market, including RES self-consumers, and at making RES support schemes, when needed, more market-based.
- ]) The aim of the revised RES Directive to provide longer-term visibility and investment security to companies engaging in RES projects, including avoiding negative retroactive implications for existing installations, is positive. 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.
- ]) EURELECTRIC calls for a strengthened EU ETS as the cornerstone of the EU's energy and climate policy and support the EU ETS as a key driver for market-based investments in low-carbon electricity generation. Interactions between the various energy and climate related targets and their impact on the EU ETS should be properly addressed.
- ]) 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, in the future, RES self-consumers should become market participants, without any exemption.
- ]) The heating, cooling and transport sectors have great and untapped potential to integrate larger shares of renewable and carbon neutral energy through increased electrification. The review of the RES Directive should have a balanced approach for RES in these sectors and electricity should not be penalised by bearing most of the renewable generation costs.
- ]) EURELECTRIC supports the Commission's efforts to open up support schemes for cross-border participation, but is concerned by the impact of the differences between national regulatory framework conditions and the risk of oversupply in certain regions. A step by step approach, built on the existing rules in the State Aid Guidelines should prevail.
- ]) EURELECTRIC does not support prohibiting the issuance of Guarantees of Origin (GOs) to RES producers that receive financial support as this will weaken the consumer link to specific RES facilities and reduce market-based RES revenues. There are other ways to address possible concerns over double compensation. Besides, market revenues from GOs will reduce the need for, and the level of, RES support.
- ]) EURELECTRIC welcomes the introduction of sustainability criteria and GHG savings requirements for solid biomass. However, we are concerned that new national or contradictory sets of sustainability principles and criteria could be introduced and would impede biomass trade. Support to large-scale biomass without a CHP component but compliant with sustainability criteria should not be ruled out.