

## **Renewables Directive**

### ***Informal EURELECTRIC input on the Council position (REV2)***

#### **Integration of RES into the market**

EURELECTRIC fully supports proposals aiming at integrating RES into the market and making support for RES, when need, more market-based. In this regard, while EURELECTRIC supports technology neutral support schemes, we welcome the fact that in certain circumstances Member States have the possibility to choose technology-specific schemes. We would also welcome further clarification, in the directive itself, when support is granted through tendering, about high project realisation rates (pre-qualification requirements, penalties for delay/non-delivery, investment horizon). The Commission should also be requested to revise the Environment and Energy State Aid Guidelines (EEAG) within months of the adoption of the directive in order to ensure a stable regulatory framework until 2030.

#### **Cross-border opening of support schemes**

We welcome the Council clear acknowledgement of a link between the cross-border opening of support schemes and sufficient interconnection capacity and an overall cautious approach to a mere percentage requirement to open participation to support schemes.

#### **Guarantees of Origin**

We appreciate the attempts by the Council to solve the concerns over possible double compensation. For EURELECTRIC financial support (through RES support schemes) and tracking (through GOs) should be kept separate from each other as they are 2 different concepts. GOs should be issued 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. Besides, issuing some GOs to producers and other GOs to an auction will lead to two parallel systems, and the market for GOs will therefore not be transparent.

We are also concerned by the introduction of a 6 months limit after the production for the validity of GOs: according to estimates 5-10% of GOs are not even issued until after 6 months of production (meter reading, auditing, etc). While we understand the wish for a less abstract system, this is a not a realistic requirement and would result in a loss of around 50TWh of GOs.

#### **Renewable self-consumers & Renewable Energy Communities (RECs)**

We welcome proposals from the Council aiming at further integrating renewable self-consumers and RECs into the market such as deletion of thresholds/exemptions in article 21 or the acknowledgement that RECs should be subject to cost-reflective network charges. It is crucial to ensure that there is no discrimination between renewable self-consumers and Renewable Energy Communities members and other system users.

#### **RES in transport**

As there is no fuel supplier obligation in this draft anymore, the Council rightly deletes the exemption of suppliers of electricity to the transport sector from the sub-obligation to offer advanced biofuels. However, it needs to be made sure that in case the fuel supplier obligation is re-inserted, the exemption for electricity suppliers is re-inserted as well. We welcome the acknowledgement that electric motors are around 5 times more efficient than internal combustion engine motors. The multiplier has an important effect when it comes to the transfer or trading of obligation between fuel suppliers. We are concerned with the fact that the Council removed the reference to the transfer of obligation, which – in combination with the multiplier – would have ensured a level-playing field for different fuels to compete to deliver the most cost-effective achievement of the obligation.

#### **Sustainability criteria for biomass**

We welcome the clarification that Member States may not establish additional requirements or refuse to take these fuels into account if they fulfil the requirements of the directive as this will facilitate trade and investment in biomass. We are however concerned that the restrictions in article 26.8 that would prevent electricity produced from biomass, meeting the sustainability criteria, from receiving financial support and being counted towards the RES target, remain. Biopower only could be used to supply essential system services and flexible generation to complement intermittent and variable generating technologies.