



## NEWS RELEASE

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### **EREC welcomes the Renewable Energy Directive proposed by the European Commission**

The Directive will be - with further improvements - a major tool for a sustainable market development of the renewable energy sector and for reaching the 20% target

***Brussels- 23<sup>rd</sup> of January 2008: The European Renewable Energy Council- representing the European renewable energy industry, trade and research associations- welcomes the directive proposal on renewable energy released today by the European Commission: The proposal will – when further improved during the legislative process- be a major tool for reaching the 20% target, for developing in a sustainable way the renewable energy sector, thereby enhancing our security of supply, reducing our greenhouse gas emissions and creating jobs in the European Union .***

“The European Commission drafted a coherent proposal addressing all renewable energy sectors”, said EREC President Arthouros Zervos. “The long awaited Directive contains the necessary elements which should help meet the 20% target. Now we expect the Member States and the Parliament to further improve the legislative document and agree on the directive this year since time is running out. We hope that all parties will stick to their commitments to make this happen. The whole world is watching us. It is up to us to prove the EU is serious and efficient in guaranteeing affordable and clean energy supply to its citizens”, adds EREC’s President.

“If clarified and improved by the European Parliament and the Council, the Directive will go a long way to enable the European renewable energy industry to develop and to achieve the 2020 renewables target”, said Prof. Zervos. “The race for meeting the targets has already started; we

warmly invite all national and local authorities not to wait until the Directive enters into force: national support schemes should be strengthened immediately.”

In view of the renewable energy industry, the main elements to improve are the integration of an enforcement mechanism for Member States not complying with their intermediate targets, the calculation of imports from outside the EU, certain technical specifications for technologies, clearer wording in the section of guarantees of origin and a clarification of sustainability criteria. The calculation of the intermediary targets should also make sure that Member States’ efforts are well-distributed over the years and that the whole burden is not left to the final years before 2020. All these elements can now be discussed publicly and modified accordingly.

### **Notes to the editors on the sectors**

#### **Provisions on Electricity ensuring Flexibility to the Member States**

National governments are responsible for meeting their own national targets. EREC supports the cross-border trading mechanism proposed by the European Commission which foresees that flexibility in meeting the national targets is provided where the responsibility is: at Member State level. Cross-border trading of guarantees of origin is open only to Member States - and firms in Member States - that have met their intermediary targets. This creates incentives for governments to do more than just fulfill their targets.

“The Commission has clearly ruled out any EU-wide virtual certificate trading mechanism between companies which would have interfered with existing successful technology-specific support schemes. This continuation guarantees investor confidence in the renewable energy industry. Nevertheless some elements still need to be clarified or improved in the guarantees of origin section, but this can be done during the legislative process. ”

This also follows the logic of the Commission’s Working Document. The European Commission intends to promote a “least-cost” solution to reach the 2020 targets. As emphasised in the “Commission Staff Working Document on support for electricity from renewable energy sources” published together with the Directive, trading of green certificates between companies turns out to be more expensive, less effective and less efficient than feed-in tariffs.

Provisions regarding priority grid access, sharing of costs on grid extensions and reinforcement, have been maintained and strengthened compared to the Renewable Electricity Directive 2001/77/EC.

#### **Renewable Heating and Cooling: Creating the conditions for stronger market growth**

“EREC strongly supports the renewed impetus given by the European Commission to the renewable heating and cooling sector. This proposal creates - for the first time - an EU-wide legislative framework for market development of renewable heating and cooling technologies” says Arthourous Zervos.

EREC welcomes the useful provisions for the reduction of administrative barriers. Renewable heating will also strongly benefit from the introduction by Member States of an obligation for minimum

requirements of renewable energy use in new and refurbished buildings (as already implemented in several countries and regions).

Provisions for better information and training on renewable energy for architects, planners and accreditation of installers are also key to the development of the renewable heating and cooling and electricity sectors, although some of the details will have to be improved.

Furthermore, EREC supports the idea -which is not in the Directive - of introducing a "one-stop shop" whereby one body is responsible for applications and grants for building in each Member State. This proposal would lower the administrative burden on renewable energy project developers.

### **The way forward for Biofuels – 10% mandate**

The draft clearly reiterates the call of European Heads of States to set a minimum binding target of 10% for the share of biofuels in the EU transport fuel by 2020.

"We welcome this commitment and most of the measures, including the sustainability criteria. However, the use of biofuels is not just about greenhouse gas savings. We wish to clarify that biofuels reduce to a huge extent Europe's dependency on oil imports and therefore there is a need to have also "home-grown" biofuels," Prof. Zervos added.

The Directive sets up a system to guarantee the environmental sustainability of the policy, ensuring that biofuels counting towards the targets achieve a set minimum level of greenhouse gas savings. EREC welcomes and supports these sustainability criteria for biofuels in principle, but clarification in close cooperation with the industry is necessary.

### **Sustainability Criteria**

"Fossil fuels and biofuels should be treated in equal terms," said Arthouros Zervos.

The biofuels share consists currently of only 2% in the EU final transport fuels consumption. The other 98% comes from non-sustainable, non-certified traditional energy sources. Sustainability criteria will be a burden for the European biofuels market as long as there is no criteria set for fossil fuels.

The Commission should also develop the sustainability criteria for food applications and not only for biofuels.

The European Union currently imports relatively high volumes of ethanol and USA subsidized biodiesel but only a very small quantity of palm oil for transport purposes.

There is an urgent need to have a clear definition of the concept of balanced approach as soon as possible well before 2012.

Sustainability criteria for biofuels are a first step towards a sustainable future, and an extension of these criteria is necessary though these criteria should be set for all types of energy: fossil, nuclear and bioenergy. Otherwise the sustainability criteria risk penalizing the biomass sector alone and, more particularly, small energy producers. This could lead to discouraging the growth of biomass in the EU as well as the sustainable use of traditional energy sources.

EREC therefore encourages the European Commission – in cooperation with the industry- to introduce a step-by-step approach including all types of energy: fossil, nuclear and biomass for food, energy and material purposes into the sustainability scheme.

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EREC, the European Renewable Energy Council, is the umbrella organisation of the major European renewable energy industry, trade and research associations active in the field of photovoltaics, small hydropower, solar thermal, bioenergy, ocean & marine, geothermal, wind energy, concentrated solar power and biofuels. It represents an industry with an annual turnover of more than 30 billion € and more than 350.000 employees.

EREC represents:

- AEBIOM (European Biomass Association)
- eBIO (European Bioethanol Fuel Association)
- EGEC (European Geothermal Energy Council)
- EPIA (European Photovoltaic Industry Association)
- EREF (European Renewable Energies Federation)
- ESHA (European Small Hydropower Association)
- ESTELA (European Solar Thermal Electricity Association)
- ESTIF (European Solar Thermal Industry Federation)
- EUBIA (European Biomass Industry Association)
- EU-OEA (European Ocean Energy Association)
- EUREC Agency (European Renewable Energy Research Centres Agency)
- EWEA (European Wind Energy Association)

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