Electricity, internal market: production from renewable energy sources, RES-E

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In accordance with the requirements of Directive 2001/77/EC and Directive 2003/30/EC, the Commission presents a staff working document which accompanies the renewable energy progress report. It also provides further background material and detailed analysis of the economic aspects and environmental impacts of biofuels in transport, as required by Directive 2003/20/EC. The staff working document assesses Member State's progress towards 2010 targets for renewable electricity and renewable fuel use. It also briefly looks into developments in the heating and cooling sector. As the most recent available statistical data from Eurostat only cover the period up to 2008, it is not yet possible to determine whether Member States have met their 2010 targets based on Eurostat data. For this reason the Commission refers, where appropriate, to the National Renewable Energy Action Plans (NREAP) submitted by Member States in accordance with the Renewable Energy Directive 2009/28/EC.

Progress to date: since the last progress report, the renewable energy sector experienced continued growth in the period 2006-2008, with the overall renewable energy share in the EU reaching 10.3% in 2008 (8.8% in 2006) and progress in all three final sectors (to shares of 16.6% in electricity, 11.9% in heating and cooling and 3.5% in transport). In the absence of Eurostat data for 2009 and 2010, it is not yet possible to determine whether the EU will reach its 2010 targets for renewable electricity and transport. Preliminary analysis of Member State's intentions stated in their NREAPs indicate that overall EU share for renewable energy use in electricity in 2010 could reach 19.4%, for transport – 5% and for heating and cooling – 12.5%.

- **Electricity from renewable energy sources**: since the last progress report, the share of green electricity in the EU has grown continuously reaching 15.8% in 2007 and 16.6% in 2008, compared to 15.1% in 2006. In spite of this solid growth, the Commission states that it remains likely that the EU will fail to reach its 2010 target of 21%.

- **Renewable energy in the transport sector**: in 2008 the EU share of renewable energy in transport was 3.5%, up from 2.6% in 2007. Preliminary data for 2009 indicate further growth in the sector, with the biofuels share reaching 4% of the total fuel consumption in transport.

- **Renewable energy in heating and cooling**: despite being the dominant sector in renewable energy's contribution to final energy (where heating and cooling represent 54%), the growth in renewables based heating and cooling has been less rapid than in the other two sectors. In 2008 the share of renewable heating and cooling was 11.9%, compared to 11.5% in 2007 and 10.3% in 2006.

Despite continued growth in the last two years the staff working document highlights that there is still limited convergence in Member States' performance in developing renewable energy sources. Indeed, most Member States have recognised in their NREAPs their expectation of failure to reach their 2010 renewable electricity targets. For renewable energy use in transport the trend is somewhat better, as many Member States note in their NREAPs their expectation to exceed the 2010 targets. This is however not the case for all Member States.

It has been acknowledged that the previous European regulatory framework for renewable energy was too weak, and the new framework is much stronger, indeed one of the strongest in the world. Member States have presented the Commission with their NREAPs outlining their national strategies and measures to reach the 2020 renewable energy targets, and these plans confirm the ambition to reach the EU target of

20% for renewable energy use by 2020. Turning this ambition into reality, however, will require the complete and correct implementation of the new Renewable Energy Directive.