Renewable energy progress report

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PURPOSE: presentation of a Commission report on the progress on renewable energy.

BACKGROUND: **a comprehensive European policy framework** to support the development and integration of renewables based on quantified targets, regulatory clarity and market based investment incentives compatible with State aid rules is in place since 2009.

The Renewable Energy Directive with the legally binding 20% EU target, 10% target for renewable energy use in transport and the binding national targets for 2020 forms an integral part of the EU energy policy.

The mid-term evaluation of the regulatory fitness of Renewable Energy Directive carried out in 2014 indicates that **all articles of the Directive are relevant for its objective** (increasing sustainably the share of renewable energy in the final energy consumption of the EU and its Member States) and the Directive has been successful in meeting these objectives. Nevertheless, the level of effectiveness and efficiency of the measures laid down by the Directive varies, depending on a number of factors, notably their implementation at Member State level.

CONTENT: the aim of this report is to provide a mid-term assessment of the **progress of the EU and its Member States** towards the 2020 renewable energy targets. It also includes:

- **an assessment of the feasibility of 10% renewable energy target for transport**, the sustainability of biofuels and bioliquids consumed in the EU and the impacts of this consumption;
- a preliminary assessment of the efficiency and effectiveness of the Directive in line with the requirements of Communication on Regulatory fitness and performance (REFIT programme).

1) Progress in deploying renewable energy: the report notes that with less than six years to go to the end of 2020, a **majority of the Member States are well on track** to meeting the renewable energy targets laid down in the Renewable Energy Directive.

For the EU as a whole, there are good prospects that the 2020 target will be reached. In 2013, the combined EU share of renewable energy reached 15%. The estimate **for 2014 indicates a 15.3% share**, which is above the trajectory for the EU as a whole. 26 Member States met their first 2011/2012 interim target and 25 Member States are expected to meet their 2013/2014 target. Some have already reached their 2020 targets.

The report sets out the following observations:

(a) Heating and cooling: renewable energy share in the heating and cooling sector was estimated to be **16.6% in 2014**. 22 Member States were on track and only 6 (Denmark, Ireland, France, the Netherlands, Portugal, Slovakia) did not meet their planned 2013 renewable energy deployment level in the heating and cooling sector

(b) Electricity: in 2013, renewable electricity generation accounted for almost **26% of total EU gross electricity generation.** About 10% of the total EU electricity is sourced from variable renewable electricity (such as wind and solar).

Hydropower plants generate by far the largest share of electricity from renewable energy sources, while their share of total renewable electricity generation shrank from 94% to 43% over the 1990-2013. **Wind power** generation more than tripled over the period 2005-2014 and it has become the second largest contributor to renewable electricity, overtaking biomass. Solar electricity generation has also increased rapidly and in 2013 accounted for 10% of all renewable electricity.

15 Member States (Belgium, Bulgaria, Germany, Estonia, Spain, Croatia, Italy, Cyprus,

Latvia, Lithuania, the Netherlands, Romania, Finland, Sweden and United Kingdom) were above their indicative trajectory shares for renewable electricity use in 2013.

(c) Transport: in this sector, the target for 2020 is to achieve 10% share of renewable energy, the bulk of which is still expected to come from biofuels. However, **the progress in the past five years towards this target has been slow** – with a projection of only 5.7% renewable energy in transport in 2014. The main reason for this was uncertainty caused by delay in finalisation of the policy to limit the risks of indirect land-use change, and insufficient progress in deployment of alternative, second-generation biofuels. A political agreement on limiting the impact from indirect land use change has meanwhile been reached.

The Commission considers that achieving 10% renewable energy target for transport by 2020 **is challenging, but remains feasible** and progress achieved in some Member States testifies to this. Sweden is the only Member State that has already reached its renewable energy target for transport with the 2013 share reaching 16.7%.

A **breakthrough in advanced biofuels**, and a comprehensive approach towards **decarbonisation of the transport sector**, including decisive steps towards increasing the share of renewable electricity in transport, remains key.

2) Creating an enabling environment: the report notes that for a number of Member States, reaching the targets may appear difficult not least due to the **steeper slope of the trajectory and persistent market barriers**. Despite steady progress until now, the achievement of the 2020 targets is still largely dependent on continuity of current policies in Member States and additional measures enabling deployment of renewable energy. For certain Member States this will require cooperation with other Member States. Other Member States will need to address non-cost barriers in order to boost development and deployment of renewables and allow their full integration in the energy market. The Commission suggests **intensifying efforts by making use of the cooperation mechanisms with other Member States as set out in the Directive.**

3) REFIT evaluation: the evaluation of the Renewable Energy Directive carried out in 2014 in the context of the REFIT programme, indicates that **the Directive is effective and achieves its objectives,** but its implementation **could be improved at Member States' level**. The REFIT evaluation also indicate that the effectiveness and efficiency of almost all the provisions of the Directive could be further enhanced by putting **a stable post-2020 policy framework in place.**

The Commission will continue to engage with the Member States and all stakeholders to ensure the deployment and integration of increasing shares of renewable energy in line with the EU 2020 renewable energy targets, and the view towards future achievement of 2030 energy and climate framework targets.