Renewable energy progress report

2016/2041(INI) - 23/06/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 444 votes to 103, with 23 abstentions, a resolution on the renewable energy progress report.

Members recalled that ambitious policies for renewable energy, in combination with energy efficiency, are a major driving force in reducing the EU´s imports dependency and its overall external energy bill and enhancing energy security vis-à-vis external providers. They may also contribute to the elimination of energy poverty and foster the economic development and technological leadership of the EU while tackling climate change.

Progress on renewables: while noting with satisfaction that the EU is on track to meet its 2020 target, Members expressed concern at the large number of countries (Belgium, France, Luxembourg, Malta, the Netherlands, Spain and the United Kingdom) which, according to estimates, may have to strengthen their policies and tools to ensure they meet their 2020 objectives, while achievement thereof is also not certain in the case of Hungary and Poland. Member States are called upon to **undertake additional measures** to get back on track.

Members regretted that the Commission’s Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives.

While welcoming the Commission’s commitments on renewable energy, Parliament urged the Commission to ensure full implementation of the 2020 Renewable Energy Directive and to put **forward an ambitious post-2020 legislative framework**. It stressed, in this regard, that a stable long-term regulatory framework is needed, including **national and EU renewable energy targets** that are consistent with the most efficient path towards the Union's long-term climate goals (2050).

It also regretted that the Commission’s Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives.

Noting that the existence of a variety of different policies for promoting renewable energy risks further widening the competitiveness gap among EU countries, Parliament stressed that **access to capital is key** and pointed out the need to have an **EU financial mechanism** aimed at reducing high risk-derived capital costs of renewable energy projects.

The resolution focused on the importance of:

- **sharing best practices** in terms of national renewable energy policies and of promoting their adoption under a more convergent European model, favouring increased cooperation and coordination among Member States;
- **maintaining reporting obligations** in the monitoring of Member States’ progress in the post-2020 period;
- including an **evaluation of the impact** of renewables on cost and prices, especially prices for households, in the future renewable energy progress reports;
- an **EU legislative proposal** on energy market rules;
- stable and cost-effective renewable **support schemes** for long-term investment that remain responsive and adaptable in the short term and are tailored to national needs and circumstances;
- ensuring **access to capital**, particularly for SMEs and supporting research and development in the fields of renewable energy;
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- support schemes at all levels which should be focused on **technologies with great potential** for reducing the costs of renewables and/or increasing market uptake of renewables;
- making better use of the funding opportunities offered by ERDF and the Cohesion Fund;
- increased cooperation and coordination within and between Member States and regions;
- strengthening of **transparency** and public participation, with the involvement of all relevant stakeholders at an early stage in the development of national plans for renewable energy;
- ensuring that **labour standards** are not lowered as a result of the energy transition, which should be based on the creation of quality jobs.

Renewables for the future: in the light of the recent COP21 agreement of December 2015 and with the agreed goal of keeping the global temperature increase to 1.5 °C above pre-industrial levels, Parliament called on the Commission should present a more ambitious climate and energy package 2030 which **increases the EU target for RES to at least 30 %** to be implemented by means of individual national targets. The **targets already agreed for 2020 must be taken as the minimum baseline** when revising the Renewables Energy Directive.

Members also highlighted the need to define a **strong, robust and transparent governance system** to ensure the implementation of the 2030 renewable energy target with due respect for national competences in determining the energy mix, while allowing for full democratic control and scrutiny of energy policies.

Recognising that tax cuts are a powerful incentive for making the shift from fossil energy to renewable energy, Parliament called on the Commission to **reform** the Energy Taxation Directive and the **state-aid rules** which are preventing these incentives from being used to their full potential. It also stressed the importance of:

- **single binding templates for national energy and climate plans** in order to ensure comparability, transparency and predictability for investors;
- codify in legislation a **grandfathering principle** for renewable energy power plants to prevent retroactive changes to renewable energy support mechanisms;
- **adequate financing at EU level**, to be achieved inter alia by applying conditionality in existing funds and by comprehensively de-risking investments in order to incentivise broad use of renewable energy sources.

Citizen and Community Energy: Parliament stated that **local authorities, communities, households and individuals** should form the backbone of the energy transition and should be actively supported to help them become energy producers and suppliers on an equal footing with other players in the energy market. It called for a **common comprehensive definition of the concept of 'prosumer' at EU level** and considered it of major importance to establish a basic right to self-generation and selfconsumption, as well as the right to store and sell excess electricity at a fair price. Therefore, it called for the introduction of a new Citizen and Community Energy chapter under the revised Renewable Energy Directive.

Electricity: Members stressed that the renewable electricity production should be **integrated into the electricity distribution systems at all levels**, as well as into transmission systems, given the changes towards a more flexible and decentralised model for energy production that takes account of the market.

Stating that developing **electricity storage solutions** will be an indispensable element in the development and integration of high levels of renewable energy, Parliament called for a revision of the existing regulatory framework in order to promote the deployment of energy storage systems and remove existing barriers.

Noting that consumers should be empowered and have the right incentives to participate in energy markets, Members noted that **dynamic, market-based prices should be designed** to elicit appropriate demand responses from consumers and activate necessary production.

Heating and cooling: highlighting the lack of progress and low targets set for renewable use in heating and cooling, in particular in buildings, Parliament called for **further measures** to exploit the remaining significant potential of renewable energy in the heating and cooling sectors in order to fully achieve the 2020 goals. It stressed the need to: (i) **facilitate a transition** to energy-efficient renewable heating devices, while ensuring adequate support and enhanced information and assistance for energy-poor citizens; (ii) lay down a comprehensive and effective definition of renewable cooling; (iii) renovate and enhance the performance of district heating and cooling systems.

Transport: Parliament noted that the target of 10 % renewables by 2020 in the transport sector is significantly lagging behind, partly owing to the challenges for a biofuel-based renewable strategy for transport. It called on the Member States to increase their efforts to deploy sustainable measures in the transport sector such as demand reduction, a modal shift towards more sustainable modes, better efficiency and the electrification of the transport sector.

The Commission should develop a **framework for the promotion of the use of electric vehicles fed by renewable electricity** and to improve the legislative framework so that it offers prospects for biofuels with high GHG-efficiency, taking into account indirect land use change (ILUC) in the period after 2020.

Sustainability criteria for biofuels and bioliquids: Parliament also called on the Commission, given the need for greater synergy and consistency in European policies, to lay down sustainability criteria for bioenergy, taking into account a thorough assessment of the functioning of existing EU sustainability policies and the circular economy policies. However, they stressed that the production of biofuels should not interfere with food production or compromise food security.

Lastly, Member States and the Commission are encouraged to promote the importance of **sustainable forest management, and hence the key role of forest biomass** as one of the EU's crucial renewable raw materials for reaching its energy targets.