

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

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PURPOSE: The promotion of electricity produced from renewable energy sources in the internal electricity market. **COMMUNITY MEASURE:** Directive 2001/77/EC of the European Parliament and of the Council. **CONTENT:** All three institutions, namely the Council, the Commission and the European Parliament have voiced their support for environmental measures which add to the reduction in climatic changes. Such policies are fully in line with the EU's commitment to comply with provisions outlined in the Kyoto Protocol. The potential for the exploitation of renewable energy sources is underused at present. Yet greater use of renewable energy sources will facilitate the curbing of greenhouse gases. In order to realise the promotion of renewable energy sources in the electricity market this current Directive sets national indicative targets. Under the provisions of the Directive targets must be consistent with the global indicative target of 12% of gross domestic energy consumption by 2010. Further, by 2010 renewable energy sources for the internal electricity market must amount to 22,1% of the total produced. The European Commission will monitor and assess national schemes to ensure that targets are being fulfilled. Where Member States use waste as an energy source, they must comply with EU waste legislation. Thus, for example, the incineration of non-separated municipal waste should not be promoted under a future support system for renewable energy sources, if such promotion undermines the EU's waste hierarchy. The Directive also ensures that all forms of electricity produced from renewable energy sources are covered by guarantees of origin. Nevertheless, the Directive does not require Member States to recognise the purchase of a guarantee of origin from other Member States or the corresponding purchase of electricity as a contribution to fulfilling national quota obligations. In light of this the Directive seeks to draw a clear line between "guarantees of origin" and "exchangeable green certificates". In terms of state aid for environmental protection, the rules of the Treaty and in particular Article 87 and 88 will continue to apply. The Directive also recognises the need to ensure investor confidence in national schemes through the proper functioning of different mechanisms supporting renewable energy sources, such as green certificates, investment aid, tax exemptions or reductions, tax refunds and direct price support schemes. One of the ultimate objectives of this Directive is the eventual preparation of an EU Framework Directive regarding support schemes for renewable energy. The Directive therefore envisions that, following an appropriate period of application and following an interim report on the functioning of the Directive, the Commission may make a proposal for a Community framework Directive. **ENTRY INTO FORCE:** 27/10/2001. **IMPLEMENTATION :** 27/10/2003.