Electricity network access for renewable energies

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The rapporteur Rolf LINKOHR (PES, D) points out that, while the EU is committed to reducing CO2 emissions to 15% below 1990 levels by the year 2010, energy consumption in the EU is constantly. The European Parliament and the Council regularly stress the importance of protecting the atmosphere against CO2 and other greenhouses emissions, but underestimate the importance of renewable energy sources. These sources produce energy without emitting greenhouse gases, but the proportion of electricity generated using renewable sources of energy is so far disappointingly small. In the EU, renewable energy sources other than hydroelectric power accounted for only 1,3% of gross electricity generated. There is little scope for any increase in hydroelectric power, which accounts for 13,8% of electricty generation in the member states. Mr LINKOHR concludes that we shall have to look to wind, solar and geothermal power and biomass for any substantial increase in the proportion of power produced by these renewable sources. If at the same time EU energy consumption is rising, the exploitation of these sources will have to be multiplied if they are intended to help meet atmospheric pollution targets. The EU and the member states' present efforts show little sign of meeting these goals. Moreover, renewable sources of energy are finding it hard to survive in a market determined by price. The rapporteur has therefore come forward with a proposal for a draft directive, which establishes the rules for the feeding in of electricity from renewable energy sources in the EU. It also regulates the organization and operation of national feeding in and tendering systems for renewable energy power generation plant, equity funds operating on an EU-wide basis and the associated creation of various organisational and financing instruments. Any promotion of renewable energy sources has to fit into the legal framework established in 1997 with the internal market in electricity. Article 8(3) of the directive establishing an internal market in electricity says that the member states may adopt rules for the access of renewable energy sources to the grid. In promoting the generation of renewable sources of energy by private producers the member states have opted for different systems. The feed-in model is one in which any operator may feed in power produced from renewable sources of energy into the grid against payment. Austria, Belgium, Germany, Denmark, Spain, the Netherlands, Luxemburg, Portugal, Finland and Sweden have opted for this system. Ireland, Greece, Italy and the UK have opted for the tendering procedure under which tenders are submitted for plant sites. Only operators of such plants are entitled to feed the electricity they generate into the grid. The basic principle in Mr LINKOHR's draft is that any operator of a small-scale generating plant such as a wind farm willl be entitled to feed electricity into the grid in his member state. The two existing systems mentioned above, the feed-in model and the tendering model, must be linked at European level. Under both systems, the member states have to set a contribution for autoproducers generating their electricity from non-renewable sources of energy themselves or having it generated by a third party and not receving it via a network within the meaning of this directive. This contribution will be required to avoid distortions of competition and, as the proceeds cannot be allotted to any specific project, be paid into special funds to promote particularly innovative renewable sources of energy. Mr LINKOHR proposes that each member state be allowed to set the price for the electricity purchased. If prices are set too low, that state will be unattractive to the funds, i.e. the investors. He therefore assumes that each state will have an interest in making that price so attractive that investors put up the money. This model will therefore encourage competition. In the end, however, the consumer who foots the bill. The draft directive will ensure that costs are spread fairly. The rapporteur notes that the EU is a long way from an overall approach to promoting renewable sources of energy. In some member states a good start has been made but there is no overarching philosophy of establishing a European market in plant for generating electricity from renewable energy sources. This lack of a European market has gone so far as to put existing industries such as the wind-power generator industry in Germany into difficulties. This is a bad thing not only in terms of energy policy. In industrial and employment terms it would be disastrous if the EU did not manage to increase demand for plant and make better use of the know-how in existing companies by means of a European-wide network access system complying with competition rules.