Electricity, internal market: renewable energy sources

2000/2002(COS) - 30/03/2000 - Text adopted by Parliament, single reading

The European Parliament adopted its Resolution on Electricity from renewable resources and the internal electricity market, drafted by Mr. Claude TURMES (Greens/ALE, Lux). With a view to the creation of a true Internal Electricity Market, the Parliament calls once again for the Council to adopt legislation which would enable the progressive introduction of an EU-wide CO2 energy tax. It also calls for the EU institutions to establish formal rules for the certification of all electricity and for labelling so as to provide electricity consumers with real considered choice. In this context, it asks the Commission to develop a plan to address subsidies to traditional energy sources, and to ensure the even application of EU state aid disciplines, so that all Member States, and all energies, are submitted to the same provisions, so creating a proper level playing field in the Internal Electricity Market. Parliament considers that any Directive to be proposed by the Commission on renewables in the Internal Electricity Market, following the consideration of the Working Papers, must not only protect the systems which promote the development of renewable electricity generation in the Internal Market in the medium term, especially the ones that have already proved to be more effective, but must go much further in this priority area, and establish a suitable and stable legal framework for renewable energies to underpin the rapid development of these energy sources, bearing in mind that renewable energies should constitute a major part of the energy mix in the long run. It calls for steps to be taken to ensure that even after the entry into force of new incentive arrangements, there is no disadvantage for those who have made investments up to now based on other rules. According to the Parliament, a mechanism of 'burden sharing' negotiation, managed by the Commission, must be put in place to bring Member States to commit themselves to both ambitious but fair targets for the consumption of electricity generated from renewable energy sources. Before electricity is tradde across borders is included in meeting any target of the importing Member State, rules would have to be put into place by the EU for such trade: a) to provide comprehensive EU-wide certification for all electricity and also labelling systems; b) to ensure, in particular, during the transitional period, that the terms of trade would not undermine existing Member State support systems for renewable energies, and that rules on the obligation to take renewable electricity were clear; c) to spread best practice so as to avoid excessive 'hot spot' development. The Parliament believes that, while aiming at a common Internal Electricity Market in the medium term which includes renewables, subsidiarity will allow all Member States to choose their system unhindered until 2010, and in the meantime, the situation will be reviewed by the Commission in 2005, to evaluate to what extent Member States are achieving their agreed burden-sharing targets, taking account of national and regional specificities of the different Member States and the contribution of renewables to local and regional economies. Given the lack of fully functioning CO2 energy taxes, the avoided costs associated with renewables, and given the distortions in the Internal Market caused by direct subsidies paid from State funds to traditonal energy sources, as well as indirect subsidies given to those energy sources, the Parliament believes that supports to renewable energies must not be viewed as straightforward subsidies under the rules on state aid and should therefore be treated in a special and separate manner. Given the special problems experienced by islands in energy planning and supply, the Parliament calls for incentive arrangements for investments in renewable energy for islands. The EP calls for a Commission proposal for a Directive to promote renewable energies to observe the distinction between start-up aid and those subsidies which under the EC Treaty (EU primary legislation) can have a long-term effect on trade between the Member States. As long as no CO2 energy tax is in place, the Parliament cannot envisage that supports to renewables could be limited in time or in extent by a Directive, while direct and indirect subsidies to traditional energy sources continue. In the Parliament's opinion, renewable energies should be clearly defined as those energies which renew themselves indefinitely, and therefore should not include municipal incineration or peat, but may include biogas and geothermal, as per the White Paper on renewables. A separate article is required in any Directive which should exclude large hydro in general, since it is normally already economically viable, possibly with

some very limited exceptions for newer installations or the restoration of older ones. The Commission is called upon to report on the situation regarding fair access to the grid for renewables in its widest interpretation, in all Member States and trans-boundary, and so incorporate rules based on best possible practice into any Directive, bearing in mind the special conditions under which renewables operate. Lastly, the Parliament calls on the Commission to submit a draft Directive supplementing the one relating to the internal electricity market and establishing both priority rules for access to electricity produced by means of a renewable energy source and a financial framework for shared cost Community intervention in respect of research into, and the promotion of, renewable energy sources.