The share of renewable energy sources in the European Union: proposals for concrete actions

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PURPOSE : Commission report on the evaluation of the effect of legislative instruments and other Community policies on the development of the contribution of renewable energy sources in the EU and proposals for concrete actions.

CONTENT : The Commission has stated that key priorities for EU energy policy are to address the Union' s growing dependence on energy imports from a few areas of the world, and to tackle climate change. It has previously drawn attention to the structural weaknesses and geopolitical, social and environmental shortcomings of the EU's energy supply, notably as regards European commitments in the Kyoto Protocol. The promotion of renewable energy has an important part to play in both tasks. Since 1997, the Union has been working towards the ambitious target of a 12% share of renewable energy in gross inland consumption by 2010. In 1997, the share of renewable energy was 5.4%; by 2001 it had reached 6%.

This Communication assesses the state of development of renewable energy in the EU. It serves three purposes:

- The formal report that the Commission is required to make under Article 3 of Directive 2001/77/EC, evaluating the progress made by the EU15 towards achieving national targets for 2010 for electricity from renewable energy sources;

- Assessment of the prospects for achieving the target of a 12% share of renewable energy in overall energy consumption in the EU15 in 2010 (including heating, electricity and transport), taking into account EU legislation since 2000 and other measures in renewable energy and energy efficiency;

- Proposals for concrete actions at national and Community level to ensure the achievement of EU renewable energy targets for 2010, in the context of the Bonn World Renewable Energy Conference (June 2004) and, building on this, the line to take on the scenario for 2020.

To provide a focus for faster progress, the EU has set through legislation two indicative targets for renewable energy:

- an increase to 22% in the share of electricity generated by renewable energy in 2010 for the EU15 (this compares with 14% in 2000);

- an increase to 5.75% in the share of biofuels in diesel and gasoline used for transport in 2010 (this compares with 0.6% in 2002).

In accordance with Directive 2001/77/EC, all Member States have adopted national targets for the share of electricity production from renewable energy sources. If Member States adopt the measures necessary for the achievement of their national targets, the share of electricity from renewable energy sources in EU15 electricity production should approximate to the share of 22% targeted by the Directive. However, analysis of the progress reports that Member States have submitted to the Commission shows that policies and measures currently in place will probably achieve a share of only 18-19% in 2010 compared to 14% in 2000. One of the reasons for this discrepancy appears to be that a number of Member States have not

yet introduced active policies in line with the targets that they adopted. If this directive delivers only an 18- 19% renewable energy share of the electricity market in 2010, then the share of renewable energy in energy consumption as a whole will reach no more than 9%.

Country reports indicate considerable differences between Member States. Germany, Denmark, Spain, Finland are on track. Austria, Belgium, Ireland, the Netherlands, Sweden, the United Kingdom, France have started to implement appropriate policies. Greece and Portugal are not on track to achieve their national targets. Italy and Luxembourg adopted new laws in March 2004. It has not yet been possible to assess their likely effects. However, only limited progress can be recorded for these two Member States during last 3 years.

Administrative barriers such as long and complex authorisation procedures persist in some Member States due to insufficient coordination between different administrative bodies. Current regulations on grid access do not guarantee a legal framework based on objective, transparent and non-discriminatory criteria. Further progress in improving grid access for electricity from renewable energy is essential for stable growth. Slow growth in the biomass sector is caused by inadequate support systems and a lack of coordinated policies. Support systems and policy refinements should be improved to enhance biomass energy use taking into account biomass potentials at regional and national levels.

Since 2000 the Commission has proposed a considerable number of new legal instruments to promote renewable energy and energy efficiency. The European Parliament and Council have adopted most of them. The remainder is in an advanced stage of the inter-institutional process.

With the measures that have been put in place, the Commission estimates that the share of renewable energy sources in the EU15 is on course to reach 10% in 2010. The shortfall compared to the 12% target is caused by sluggish growth of renewable energy markets for heating and cooling, leading to the conclusion that

considerable extra action is needed in this sector to enable the full 12% target to be reached.

With a framework of Community legislation in place, it is to Member States that responsibility falls for ensuring that the agreed targets and measures are, in fact, implemented on the ground. This will require a wide range of national actions, including efforts to ensure that established firms in the energy supply industries pay a share of the costs of promoting renewable energy.

The Communication also announces a number of additional concrete actions at Community level in order to support Member States' efforts to achieve the EU15 12% share.