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

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The European Parliament adopted a resolution based on the own-initiative report drafted by Claude **TURMES** (Verts/ALE) on the share of renewable energy in the EU and proposals for concrete actions. (Please see the document dated 21/06/2005.) Parliament felt that there is a real need for a post-2010 renewable energy strategy, and called on the Commission to set ambitious but realistic targets for ultra-low or non CO2 emitting and CO2 neutral energy technologies to supply 60% of EU electricity demand by 2020, in support of European climate and security-of-supply objectives.

Twenty-one renewable energies for the 21st century: Parliament recognised the potential from a wide diversity of more than twenty-one different renewable energy technologies, which in principle cover not only all geographical areas but also all relevant energy uses. Renewable energies are the fastest growing sector of the energy industry in Europe and even worldwide, with a growth rate above 20% a year for wind and solar photovoltaic (PV) energy. The development of renewable energy technologies has created more than 300 000 jobs. Parliament called for adoption of the Biomass Action Plan, greater promotion of solar thermal power stations in the south of the EU and a coordinated major project for North Sea wind power to promote the rapid expansion of these renewable energies. It also referred to the potential for geothermal energy for both heat and electricity production and called for more political attention to be paid to the potential in geothermal energies. Parliament welcomed moves to promote hydrogen technology and a hydrogen-based economy.

Paving the way for the EU as a world market leader for renewable energies: Parliament noted that with a more systemic approach to energy policies, a share of 25% of the EU's overall energy consumption could be provided by renewable energies by 2020. A further reduction in the relative costs of renewable technologies would play an important role in achieving such a share, in particular by stimulating demand and R&D. It noted that, in order to provide the necessary signals for such highly differentiated energy markets as the electricity, transport fuels and the heating and cooling sectors, the EU target must be broken down into both sectoral and national targets. In this way, simpler and more economically-attractive conditions can be created for investment in research on renewable energy. Parliament asked the Commission to come up with mandatory targets for each of these three sectors. Incentives in the form of tax cuts are generally an effective way to promote renewable energies, and Member States are encouraged to use such instruments.

Heating and cooling: A major market for low-temperature renewable energies: Parliament noted that the heating and cooling of buildings accounts for roughly 40% of all energy use in the EU and urged a systemic approach that will integrate best available technologies for reducing heat and cooling demand with low-density energy from low-temperature renewables or co- or tri-generation units. It stressed that, in contrast to its approach to the electricity and fuel sectors, the EU has no systematic approach towards supporting renewable energies in the heating and cooling sector, even though dependence on gas and oil imports is particularly high in this sector and the costs associated with increasing the share of renewable energies are comparatively low. Parliament called for an EU-wide strategy aimed at making renewable heating and cooling units competitive by increasing production. Bureaucratic regulations imposed on house owners and builders are not the appropriate way to achieve this, but rather a directive that sets realistic but ambitious targets and coordinates the Member States' actions on the basis of temporary limited incentives for market access.

Electricity: Fair market conditions for renewable electricity production: Parliament recalled the target of 21% of renewable energies in the overall electricity mix of the EU set out in Directive 2001/77 /EC. The EU electricity market is still suffering from a number of serious distortions, such as insufficient ownership-unbundling requirements, ineffective wholesale markets, increased market concentration, large direct and indirect subsidies, no non-discriminatory access to balancing facilities like the large hydro-storage power plants, non-segregated decommissioning funds and non-internalisation of external costs. Parliament insisted that the Commission tackle these issues in its reports on the internal electricity and gas markets at the end of the year and put forward new legislative initiatives to put an end to those huge market distortions which penalise renewable energy production.

Transport: Efficiency first, renewable fuels second: The transport sector was identified as creating huge dependence on oil imports at highly volatile prices, causing significant health problems due to air pollution and being responsible for the fastest growing CO2 emissions. Parliament took note that in the transport sector efficiency gains through structural measures like better urban and regional planning, modal shifts in goods and passenger transport and the gradual raising of efficiency performance standards for vehicles and airplanes are complementary to renewable fuel strategies.

Biomass: The sleeping giant amongst renewable energies: Parliament regretted that the enormous potential of biomass in the field of renewable energies had not been exploited in line with its technical potential at feasible cost. It welcomed the Commission's announcement that it will present a Biomass Action Plan. It asked the Commission and the Member States to use the Structural and Cohesion Funds to promote the use of biomass, as well as to use the enormous potential of the second pillar of the CAP (rural development) to promote the sustainable use of biomass. The eco-efficient use of biomass must also be included in the Commission’s priorities for the specific programmes under the 7th Framework Programme for Research and Technological Development (FP7). Furthermore, national taxation policy must not hinder the development of biomass production.