Basic information

2000/0116(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Electricity, internal market: production from renewable energy sources, RES-E Repealed by 2008/0016(COD) **Subject** 3.60.03 Gas, electricity, natural gas, biogas 3.60.05 Alternative and renewable energies	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	ROTHE Mechtild (PSE)	06/06/2000

Former committee responsible	Former rapporteur	Appointed
ITRE Industry, External Trade, Research, Energy	ROTHE Mechtild (PSE)	06/06/2000

Former committee for opinion	Former rapporteur for opinion	Appointed
JURI Legal Affairs and Internal Market	The committee decided not to give an opinion.	
ENVI Environment, Public Health, Consumer Policy	KRONBERGER Hans (NI)	12/07/2000

Council of the European Union

Council configuration	Meetings	Date
Energy	2318	2000-12-05

European Commission

Commission DG	Commissioner
Energy and Transport	

Key events

Date	Event	Reference	Summary

10/05/2000	Legislative proposal published	COM(2000)0279	Summary
16/06/2000	Committee referral announced in Parliament, 1st reading		
24/10/2000	Vote in committee, 1st reading		Summary
24/10/2000	Committee report tabled for plenary, 1st reading	A5-0320/2000	
15/11/2000	Debate in Parliament		
16/11/2000	Decision by Parliament, 1st reading	T5-0514/2000	Summary
29/12/2000	Modified legislative proposal published	COM(2000)0884	Summary
23/03/2001	Council position published	05583/1/2001	Summary
04/04/2001	Committee referral announced in Parliament, 2nd reading		
20/06/2001	Vote in committee, 2nd reading		Summary
20/06/2001	Committee recommendation tabled for plenary, 2nd reading	A5-0227/2001	
03/07/2001	Debate in Parliament		
04/07/2001	Decision by Parliament, 2nd reading	T5-0379/2001	Summary
07/09/2001	Act approved by Council, 2nd reading		
27/09/2001	Final act signed		
27/09/2001	End of procedure in Parliament		
27/10/2001	Final act published in Official Journal		

Technical information

Procedure reference	2000/0116(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Repealed by 2008/0016(COD)
Legal basis	EC Treaty (after Amsterdam) EC 095
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/5/13992

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0320/2000 OJ C 223 08.08.2001, p. 0006	24/10/2000	
		T5-0514/2000		

Text adopted by Parliament, 1st reading/single reading		OJ C 223 08.08.2001, p. 0192-0294	16/11/2000	Summary
Committee recommendation tabled for plenary, 2nd reading		A5-0227/2001	20/06/2001	
Text adopted by Parliament, 2nd reading		T5-0379/2001 OJ C 065 14.03.2002, p. 0058-0113 E	04/07/2001	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	05583/1/2001 OJ C 142 15.05.2001, p. 0005	23/03/2001	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2000)0279 OJ C 311 31.10.2000, p. 0320 E	10/05/2000	Summary
Modified legislative proposal	COM(2000)0884 OJ C 154 29.05.2001, p. 0089 E	29/12/2000	Summary
Commission communication on Council's position	SEC(2001)0506	30/03/2001	Summary
Commission opinion on Parliament's position at 2nd reading	COM(2001)0445	24/07/2001	Summary
Follow-up document	COM(2004)0366	26/05/2004	Summary
Follow-up document	SEC(2004)0547	26/05/2004	
Follow-up document	COM(2006)0849	10/01/2007	Summary
Follow-up document	COM(2009)0192	24/04/2009	Summary
Follow-up document	SEC(2009)0503	24/04/2009	Summary
Follow-up document	SEC(2011)0130	31/01/2011	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0191/2000 OJ C 022 24.01.2001, p. 0027	20/09/2000	
EESC	Economic and Social Committee: opinion, report	CES0999/2000 OJ C 367 20.12.2000, p. 0005	20/09/2000	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Directive 2001/0077 OJ L 283 27.10.2001, p. 0033	Summary

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

2000/0116(COD) - 16/11/2000 - Text adopted by Parliament, 1st reading/single reading

The Parliament adopted, with a number of amendments, the report drafted by Mrs Mechtild ROTHE (PES, D). The report stresses that renewable energies from an effective strategy for environmental protection and would help the EU to achieve the Kyoto targets. (Refer to the previous document).

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

2000/0116(COD) - 30/03/2001 - Commission communication on Council's position

Firstly, the Commission regrets that the Council has retained Article 175, para 1 of the EC Treaty as the legal basis, contrary to the Commission's proposal based on Article 95 which in the Commission's view was the appropriate basis. The Commission considers that the choice made by the Council does not constitute a precedent. (The Commission asks for this statement to be insterted when the common position is adopted). However, the Commission considers that not all the solutions, in particular the definition of biomass, adopted by the Council in its common positon are in line with the Commission's proposal and do not meet the important concerns of the European Parliament. In particular, including the biodegradable waste into the definition of biomass could provide an incentive to waste incineration and thereby counteract the re-use and re-cycling objectives of the Community's waste management hierarchy, whereas the Commission would have preferred that incineration of non separated municipal waste was not considered as a source of renewable energy. However, in view of the need to take a major step forward in the European Union's effort to promote electricity from renewable energy sources, the Commission can accept the Council's position as a compromise. Overall, the Commission considers that the common position is generally faithful to the spirit of the Commission's proposal, which itself was tabled in response to concerns expressed by the Council and the European Parliament. In general where the common position departs from the Commission proposal it is in a sense to clarify concepts and approaches of the original text, this is particularly true for support schemes and a grid system issues. As regards the definition of biomass, the Commission would have preferred that the common position has contributed more to an optimal waste management policy. As regards support schemes in particular, the common position seeks, in line with the opinion of the European Parliament, to ensure that adequate safeguards are envisaged so that a future Commission proposal for a harmonised European support schemes does not prematurely abrogate national support schemes. The Commission believes that the common position has achieved a delicate balance of strong promotional action in favour of electricity from renewable energy sources without undermining the developing internal electricity market.

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

2000/0116(COD) - 26/05/2004 - Follow-up document

The 2000 Green Paper on the security of energy supply identifies two key energy priorities that Europe needs to address. The first is to tackle the EU's dependence on energy imports and the second to curb the effects of climate change. The promotion of renewable energy plays a key role in helping the EU meet both these challenges. Since 1997, therefore, the Commission has been working towards a 12% renewable energy target in gross inland consumption by 2010. This Report has been prepared by the Commission and serves the following three purposes: - It is a formal report prepared by the Commission in line with its obligation to do so under EU Directive 2001/77/EC. The purpose of the Report is to evaluate progress made by the 15 Member States in achieving the 2010 target for electricity from renewable energy sources. - It is an assessment of the prospects for achieving the target of a 12% share of renewable energy in overall consumption in the EU 15 by 2010 - including heating, electricity and transport. - It sets out

proposals for concrete actions at national and Community level to ensure the achievement of renewable energy targets for 2010. The Report is accompanied by a Commission Working Document featuring a country profile of the share of renewable energy in the EU. The Communication notes that Denmark, Germany, Spain and Finland are fully on track to meet their renewable energy commitments. Greece and Portugal are off track with the rest "about to be on track". Having evaluated the various renewable energy options on offer across Europe (wind, biomass, solar thermal heat etc.) and the steps that the Member States are taking to enact a viable, target based strategy on renewable energy the Commission makes the following conclusions: - All of the Member States, some more so than others, have prepared the necessary legislation to ensure that EU targets on renewable energy are met by the year 2010. In other words, if the Member States adopt all of the measures they have prepared, the share of electricity from renewable energy sources in the EU 15 should indeed meet the 22% target set out in EU legislation. However, a lack of concrete action by Member States, means that the 22% target is unlikely to be met. Rather, the Report estimates that 18-19% of electricity consumption will come from renewable energy sources by 2010. The percentage gap can be pinned down to the fact that nationally adopted targets are not complemented by active policies. In other words the failure to reach the stated target is not a lack of national provisions and legislation, rather it is due to a lack of active policy involvement. With the measures that have been put in place by the Member States, the Commission estimates that the share of renewable energy sources across the EU 15 is on course to reach a 10%, as opposed to a 12% target, by 2010. The shortfall is caused by sluggish growth in the heating and cooling renewable energy markets. Thus, more action needs to be taken to boost a growth in these sectors. The Commission suggests that more could be done by the renewable energy industry to promote a higher uptake of their products. In addition to commenting on the state of play in the renewable energy sector the Commission proposes a number of concreteactions to be taken in the future in order to facilitate the implementation of the targets set. They are: - The setting up of a new instrument under the "Intelligent Energy-Europe, 2003-2006 programme", to help bridge the gap between successful demonstration of innovative technologies and their effective entrance on the market. - Also under the "Intelligent Energy Europe" programme to strengthen support for action at local and regional level allowing for the removal on non-technological barriers to clean energy. - A further measure would include accelerating the pace of public support for research, technological development and demonstration in renewable and energy efficiency in Europe. - Sharing responsibility for renewable energy in other policy sectors, such as Agriculture, also needs to be considered. For example, offering a EUR 45 per hectare premium to farmers who sow energy crops. Additionally, the EIB is offering loans from 8% to 16% for renewable energy schemes. As the Report states, renewable energy has potential. It offers tantalising possibilities to allow the EU to reduce its dependency on energy sources as well as helping it fulfil its Kyoto commitments The full implementation of the EU's legal framework combined with complementary, proactive measures geared to national conditions, will help the EU achieve these challenging ambitions.

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

2000/0116(COD) - 04/07/2001 - Text adopted by Parliament, 2nd reading

The European Parliament adopted the report by Mechtild ROTHE (PES, D) and amended the Council's common position on electricity from renewable energy sources. (Please refer to previous text).

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

2000/0116(COD) - 10/01/2007 - Follow-up document

This report from the Commission aims to assess to what extent Member States have made progress towards achieving their national targets and compliance with the target of a 21% share of electricity produced from renewable energy sources. It does so in accordance with Article 3(4) of Directive 2001/77/EC on electricity produced from renewable energy sources (RES-E) in the internal electricity market.

The EU aims at having renewable sources provide 21% of the electricity generated in its 25 Member States by 2010. This target was established in the EU renewables Directive 2001/77/EC, which sets out differentiated national targets.

The overall picture: since the last Commission report published two years ago, 50% additional renewable electricity (non-hydro) has been produced. With current policies and efforts in place, it can be expected that a share of 19% by 2010 will be reached. In other words, Europe will in all likelihood, come close to its target on renewable electricity by 2010. Large and small-scale hydro is still the largest renewable source in the electricity sector. It contributed to 10% of total electricity consumption in 2005. There are other renewable energy sources not described in this report as their current penetration is not significant.

In 2005, renewable electricity contributed 15% to overall EU electricity consumption in the EU. This should be seen against a higher than expected level of overall electricity consumption. In the EU, electricity consumption is growing at 2% per year. However, it should be noted that with the exception of Germany and Spain, the countries making good progress unfortunately represent only a relatively small proportion of the total EU market. In a number of Member States the share of renewable electricity is even declining. With many Member States lacking far behind their national targets, more needs to be done if Europe wants to reverse the trend towards an increasingly unsustainable energy future.

Denmark, Germany and Hungary are on track for meeting the 2010 target, and in Finland, Ireland and Luxembourg, Spain, Sweden and the Netherlands, current developments provide a good opportunity to reach 2010 target. It is mainly due to the efforts of these few countries that the EU may at best achieve a share of 19% of renewable electricity in 2010. Other Member States may achieve their national targets if they strengthen their policies. But a significant number of Member States display decreasing shares of renewable electricity production. The following countries are furthest from meeting their commitments: Austria, Cyprus, Estonia, France, Italy, Latvia, Malta, Slovakia.

The Commission discusses in this report the development of electricity in the different renewable sectors: wind, biomass, hydro, geothermal and solar energy. Wind energy is a clear success with strong European growth and a growing global market. Biomass – the sleeping giant – is starting to wake up, and biogas and co-firing sources have also increased in the last two years.

The Commission states in its analysis that a trend now emerging across the EU is an increasing awareness of the three main drivers of renewable energy: sustainability, competitiveness and security of supply. The industry has historically been driven by “top down” incentives such as subsidies and fiscal measures that are designed to achieve macro-economic and environmental objectives. However, renewable energy demand is becoming an increasingly important “bottom up” driver for the industry. Rising power prices are forcing consumers to consider different power procurement strategies. Energy demand would continue to rise if energy efficiency measures are not actively implemented. Electricity costs increased on average by 40% between 2004 and 2005 with commercial and industrial consumers hit the hardest.

Renewable energy producers have become important players on the electricity markets. There is a need for the proper integration of renewable energies in the electricity internal market.

The principle of third party access is fundamental to allow investments in renewable energies to feed into the grid and to attract new investors to the market. The operation and the investment in renewables based generation are more efficient when renewable energies are exposed to market price signals. The internal market allows pooling of generation, thus providing efficiency gains for both large scale and small scale renewable production. Cross border trade allows electricity to be sold from an area with a surplus to a wide customer base, or electricity to be imported from a greater distance. This is particularly important for areas with a high density of wind generation.

Renewable energies can also provide a hedge against electricity market volatility. Europe cannot afford to fail on its renewable energy policy. With the current policies in place, the overall share of renewable electricity will reach 19% by 2010. Coming this close to achieving the target can be considered a partial success, although there is still significant scope for improvements. The Commission wants to continue the effort to achieve a sustainable trend in electricity, and recommends the following actions.

Eight main areas of action on renewable electricity must be immediately developed:

- Member States must correctly and fully implement the Directive on renewable electricity;

- immediate lifting of administrative barriers, unfair grid access and complex procedures is necessary;

- optimisation of the support schemes (please see COM(2005)0675) must occur. The Commission will re-examine, in 2007, the situation concerning Member States´ support systems for renewable energies with a view to assessing their performance and the need to propose harmonised support schemes for renewables in the context of the EU internal electricity market. While national schemes may still be needed for a transitional period until the internal market is fully operational, harmonised support schemes should be the long term objective;

- to wake up the biomass sector through the actions in the Biomass Action Plan;

- special attention shall be given to increasing of the use of biomass for combined heat and power (CHP);

- credibility in the long term: the Commission will propose in 2007 a new legal framework for the promotion of renewable energy sources as set out in the Renewable Energy Roadmap;

- the Commission will continue to co-operate closely with grid authorities, European electricity regulators and the renewables industry to enable better integration of renewable energy sources into the power grid and will pay particular attention to the special requirements related to much larger deployment of off-shore wind energy, notably as regards cross-border grid connections. Opportunities provided by the TEN-E scheme should be examined. Work should begin on a European offshore super-grid;

- the internal electricity market shall be developed in a manner consistent with the development of renewable energies. Liberalisation, in particular concerning transparency, unbundling and higher inter-connectors capacity, also offers the opportunity for new innovative players to enter the market;

- lastly, renewable energies should be speedily integrated into the Lisbon strategy of the EU through the competitiveness and innovation programme (CIP), regional and cohesion funds, rural development and reinforced RTD in the period 2007-2013.

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

2000/0116(COD) - 27/09/2001 - Final act

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.

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

2000/0116(COD) - 24/07/2001 - Commission opinion on Parliament's position at 2nd reading

At second reading Parliament adopted nine amendments to the Council's common position. The Commission accepts those amendments which: . - make it possible for the Commission to propose mandatory targets should this prove necessary; - reinforces the argument that it is important to maintain investors' confidence; - make it possible for the Commission to propose mandatory targets should this prove necessary; - clarifies the contents of a future Commission report on the various support schemes for RES electricity; - introduces compulsory priority for RES electricity, insofar as this is possible under the national electricity system; - introduces the possibility of connection costs being shared between transmission and distribution system operators; - requires Member States to ensure that the charging of transmission and distribution fees does not discriminate against electricity from renewable energy sources, including electricity from renewable sources produced in outlying regions. Where necessary, Member States are to ensure that fees charged for the transmission and distribution of electricity from plants using renewable sources reflect realisable cost benefits resulting from the plant's connection to the network. Such benefits could arise from the direct use of the low-voltage grid; - stipulates that in its report the Commission must consider the external costs of non-renewable energies and the impact of public support granted to electricity production; - clarifies that support systems for renewable energies must be consistent with the Community's other objectives, particularly regarding the waste treatment hierarchy. It should be noted that no amendments were rejected by the Commission.

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

2000/0116(COD) - 24/04/2009

This Commission Staff Working Document accompanies the Commission communication on the renewable energy progress report. It outlines the progress the European Union is making as regards the development of renewable energy.

Firstly, the Communication recalls the European policy framework for renewable energy: the importance of renewable energy for meeting our climate change and sustainability objectives, improving the security of our energy supply and developing an innovative European renewable energy industry to generate jobs and wealth for Europe.

This working document provides the background material and analysis supporting the results presented in the Communication. It also provides a summary of the detailed analysis undertaken for or by the Commission which explored the rate of progress and barriers to further growth in renewable energy and the impacts of biofuels in transport, as required under Directive 2003/30/EC.

More specifically, the particular areas dealt with in the report are as follows:

- **electricity sector**: support schemes; administrative barriers and grid access; guarantees of origin and the Member States' progress towards the 2010 targets.
- **transport sector**: progress in the use of biofuels and other renewable fuels; support schemes; economic and environmental impacts.
- **biomass sector**: the availability and use of biomass as well as the barriers to the uptake of bioenergy.

Lastly, the report also presents a summary of the state of implementation of the 33 actions of the Biomass Action.

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

2000/0116(COD) - 23/03/2001 - Council position

At the end of its examination the Council concluded that the main focus of the Directive should be on promoting the contribution of RES to electricity production rather on creating a common framework to that effect. Firstly, it should be noted that the Council has retained article 175, para 1 of the EC Treaty as the legal basis, contrary to the Commission's proposal based on article 95 which in the Commission's view was the appropriate basis. Moreover, the main elements of the common position are as follows: - it retains a broader definition of RES in particular as regards a) biomass to

enlarge the choice of RES that could be used by Member States while firmly stating that Member States must comply with Community legislation on waste when they use waste as an energy source; and b) hydropower, as there appears to be no ground on which to exclude as "non renewable" hydropower above a given capacity threshold. Information on the capacity is nevertheless made available through the guarantee of origin; - it clarifies that the national targets to be set by Member States for the future consumption of electricity produce from RES should be of an indicative nature. These targets are established on the basis of ambitious reference values, which are set out in the Annex of the Directive, together with prerequisites identified by several Member States for achieving their national objectives. As can be seen from the prerequisites, certain factors, over which Member States have no or little control, can affect the ability to achieve the targets. This is one of the reasons why the Council considers that indicative rather than mandatory targets are more appropriate and realistic. Also subsidiarity is an important consideration in this respect; - it states that the key role played by support schemes for the promotion of electricity from RES is duly acknowledged in particular with reference to the State aid guidelines for environmental protection; - it clarifies that the mutual recognition of guarantees of origin only concerns these guarantees as proof of the electricity and that the purchase of, and schemes for these guarantees do not necessarily have implications in terms of fulfilment of national quota obligation or right to benefit from national support mechanisms; - it recognises that, due to technical constraints or the organisation of distribution systems, it is not always possible to provide priority access stricto sensu to transportation and distribution of electricity from RES while nevertheless guaranteeing the transmission and distribution of this electricity; - to amend the date corresponding to various reporting requirements in order to improve consistency and to allow sufficient time for the measures taken by Member States of the reports and the administrative steps to be taken by Member States to what is necessary for achieving the objective of the Directive.

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

2000/0116(COD) - 10/05/2000 - Legislative proposal

PURPOSE : to present a proposal for a Directive on the promotion of electricity from renewable energy sources in the internal electricity market. CONTENT : the basic objective underlying this draft Directive is to create a framework which will facilitate the medium-term significant increase in renewable generated electricity ("RES-E") within the EU. It is an important part of measures aimed at meeting the obligation to reduce the emission of greenhouse gases accepted by the EU at Kyoto and must be seen in the light of the indicative objective of doubling the share of renewable energy from at present 6% to 12% of the gross inland energy consumption as set out in the White Paper on renewable energy sources and endorsed by the Energy Council in May 1998. In order to achieve its objective, the Directive proposes that Member States are required to take the necessary measures to ensure that the level of RES-E develops in conformity with the energy and environmental objectives undertaken at national, as well as Community, level. Member States will, therefore, have to set and meet national targets for the domestic future consumption of RES-E which are consistent with the White Paper on renewables and national commitments to reduce greenhouse gas emissions in the light of the Kyoto obligations. These targets and the measures taken to reach them shall be set out in an annual report published by all Member States. The Commission will then assess and publish a report on the Member States policies in light of the White Paper and the Kyoto obligations. With regard to the support schemes for RES-E currently operated in Member States, the Commission has concluded that insufficient evidence exists to provide, at this stage, for the introduction of a harmonised Community wide support scheme setting the price for RES-E through Community-wide competition between generators, in particular with regard to direct price support being the most important form of support in practice. Nevertheless, the Commission believes that this should remain the objective since its achievement is likely, in the medium term, to reduce prices of RES-E and increase the penetration of RES-E in the internal market. Furthermore, in view of creating a proper level playing field within the international electricity market, it is necessary for the Commission to monitor the application of support schemes in favour of generators of electricity form renewable, as well as conventional, energy sources in Member States and, no later than five years after the entry into force of this Directive, to present a report on the experience gained in this respect. If necessary, in the light of the conclusions of this report, the Commission will make a proposal for a Community framework with regard to support schemes for electricity from renewable energy sources based on principles defined already in this Directive. In order to ensure that trade in RES-E becomes both reliable and practically possible, the draft Directive requires the Member States to introduce a system for the certification of origin of RES-E. Finally, the Directive foresees a number of accompanying measures intended to create a level playing field and facilitate the penetration of RES-E in the internalelectricity market, notably regarding administrative procedures and grid system issues.

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

2000/0116(COD) - 24/04/2009

This Renewable Energy Progress Report from the Commission is in accordance with Article 3 of Directive 2001/77/EC, Article 4(2) of Directive 2003/30 /EC and on the implementation of the EU Biomass Action Plan.

In 1997 the Commission published a White Paper on renewable energy which announced a target to double the European Union’s renewable energy share to 12% by 2010. Two key pieces of legislation (Directives 2001/77/EC and 2003/30/EC) set indicative 2010 targets for all Member States and required actions to improve the growth, development and access of renewable energy. In addition, a Biomass Action Plan was adopted in 2005 to focus attention on the specific need for Member States to develop Europe's biomass resources.

Regular assessments and reports have been prepared on the EU’s progress towards its 2010 targets and on its efforts in general to develop renewable energy. The reports issued in 2007 as well as the Renewable Energy Roadmap highlighted the slow progress Member States were making and the likelihood that the EU as a whole would fail to reach its 2010 target. The Commission therefore proposed a new, more rigorous framework to drive forward the development of renewable energy and more solid, legally binding targets for 2020. It proposed new legislation covering **all renewable energy** and set new targets for 2020 to ensure a stable regulatory framework for the decade ahead. This new Renewable Energy Directive has now been agreed.

The purpose of this report is to provide information on progress since the 2007 reports, as required under the two current Directives (2001/77/EC and 2003/30/EC), focusing on data from 2004 to 2006 or 2007. The report also sets the scene for the future by describing the state of progress in developing renewable energy today and explaining how the new framework will drive forward the growth of renewable energy, including biomass, in the immediate years ahead.

Conclusions: the report concludes that **Europe is still likely to fail to meet its 2010 renewable energy targets**, despite the legislation, the recommendations, the exhortations and even legal proceedings against some Member States. However, there has been **limited recent progress**. In the **electricity sector** new policy measures have resulted in substantial growth in some Member States, six of whom achieved an increase in their share of at least two percentage points since 2004. At the same time, seven Member States' renewable electricity shares have actually stagnated or shrunk since 2004. In the **transport sector**, quite a widespread change to the use of obligation measures rather than just taxation measures has contributed to an increase in the EU share of 1.6 percentage points since 2004, driven by growth in shares of over 2% in seven Member States.

Whilst some recent progress has been achieved, the rate of growth remains slow and the barriers to growth, across all sectors, remain high in most Member States. Europe is unlikely to reach either the target for the share of electricity from renewable energy sources or the target for the share of renewable energy in transport. The European Commission will continue to take **legal action** to ensure compliance with the existing Directives and so improve progress towards the 2010 targets.

Given the major potential contribution of renewable energy to the EU's climate and energy goals, the new European Directive on renewable energy which will enter into force in early 2009, will provide a welcome strengthening of the legal framework.

The **National Action Plans** that Member States will have to prepare by 2010 will mean that all Member States, including those which so far have made very limited progress towards agreed EU objectives, will have to establish a clear plan as to how they intend to achieve their targets for renewable energy and for renewable energy in transport. They will have to explain how they intend to reform building codes and planning regimes to increase the use of renewable energy and to improve access conditions to the electricity grid. They will have to set out national sectoral targets, the measures and support schemes to be used to reach the targets, the specific measures for the **promotion of the use of energy from biomass**, the intended use of (statistical) transfers of renewable energy from other Member States and their assessment of the role different technologies will play in reaching the targets. Lastly, they will have to implement and monitor biofuel sustainability criteria to ensure biofuels clearly contribute to environmental objectives.

With all of these elements, the Directive will provide a stable policy regime for the rapid development of renewable energy in the EU for the next 12 years.

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

2000/0116(COD) - 31/01/2011

In accordance with the requirements of Directive 2001/77/EC and Directive 2003/30/EC, the Commission presents a staff working document which accompanies the renewable energy progress report. It also provides further background material and detailed analysis of the economic aspects and environmental impacts of biofuels in transport, as required by Directive 2003/20/EC. The staff working document assesses Member State's progress towards 2010 targets for renewable electricity and renewable fuel use. It also briefly looks into developments in the heating and cooling sector. As the most recent available statistical data from Eurostat only cover the period up to 2008, it is not yet possible to determine whether Member States have met their 2010 targets based on Eurostat data. For this reason the Commission refers, where appropriate, to the National Renewable Energy Action Plans (NREAP) submitted by Member States in accordance with the Renewable Energy Directive 2009/28/EC.

Progress to date: since the last progress report, the renewable energy sector experienced continued growth in the period 2006-2008, with the overall renewable energy share in the EU reaching 10.3% in 2008 (8.8% in 2006) and progress in all three final sectors (to shares of 16.6% in electricity, 11.9% in heating and cooling and 3.5% in transport). In the absence of Eurostat data for 2009 and 2010, it is not yet possible to determine whether the EU will reach its 2010 targets for renewable electricity and transport. Preliminary analysis of Member State's intentions stated in their NREAPs indicate that overall EU share for renewable energy use in electricity in 2010 could reach 19.4%, for transport – 5% and for heating and cooling – 12.5%.

- **Electricity from renewable energy sources**: since the last progress report, the share of green electricity in the EU has grown continuously reaching 15.8% in 2007 and 16.6% in 2008, compared to 15.1% in 2006. In spite of this solid growth, the Commission states that it remains likely that the EU will fail to reach its 2010 target of 21%.

- **Renewable energy in the transport sector**: in 2008 the EU share of renewable energy in transport was 3.5%, up from 2.6% in 2007. Preliminary data for 2009 indicate further growth in the sector, with the biofuels share reaching 4% of the total fuel consumption in transport.

- **Renewable energy in heating and cooling**: despite being the dominant sector in renewable energy's contribution to final energy (where heating and cooling represent 54%), the growth in renewables based heating and cooling has been less rapid than in the other two sectors. In 2008 the share of renewable heating and cooling was 11.9%, compared to 11.5% in 2007 and 10.3% in 2006.

Despite continued growth in the last two years the staff working document highlights that there is still limited convergence in Member States' performance in developing renewable energy sources. Indeed, most Member States have recognised in their NREAPs their expectation of failure to reach their 2010 renewable electricity targets. For renewable energy use in transport the trend is somewhat better, as many Member States note in their NREAPs their expectation to exceed the 2010 targets. This is however not the case for all Member States.

It has been acknowledged that the previous European regulatory framework for renewable energy was too weak, and the new framework is much stronger, indeed one of the strongest in the world. Member States have presented the Commission with their NREAPs outlining their national strategies

and measures to reach the 2020 renewable energy targets, and these plans confirm the ambition to reach the EU target of 20% for renewable energy use by 2020. Turning this ambition into reality, however, will require the complete and correct implementation of the new Renewable Energy Directive.

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

2000/0116(COD) - 29/12/2000 - Modified legislative proposal

The Commission's amended proposal for a Directive on the promotion of electricity from renewable energy sources in the internal electricity market, contains two types of amendments. Firstly, in response to the first reading by the European Parliament, a number of new provisions have been accepted. They serve to balance and elaborate further on specific ideas in the original proposal. Secondly, the Commission has made minor rewording and editing to ensure consistency between this text and other applicable Community legislation and to ensure internal consistency within the text itself. The main changes adopted by the Commission are the following: - the Commisison adapted the definition of renewable energy sources except for the inclusion of peat, as this last item is clearly a fossil fuel. The main change in this respect concerns broader definition of biomass with the definition of renewable energy sources. This broader definition gives Members a larger choice of renewable energy sources when taking measures to fulfil their national targets for increasing the market share of electricity in the internal market without undermining the requirement of the Community waste policy; - the Commission amended the provision on support schemes by introducing more in detail the main issues its report on existing support schemes should cover. Furthermore, the criteria for a possible future support schemes were amended, now providing a more balanced frame between internal market and promotion aspects; - a new paragraph is added obliging the Commission to undertake a forward looking review and indications of the national targets for the period 2010-2020. With regard to clarifications and expansions of recitals, the changes stress the following and reflect the amendments proposed by the European Parliament: - the manifold advantages of renewable energy sources; - the need for a stable legal framework; - existing distortions in the internal electricity market; - a call for a further Directive on biofuels from renewable energy sources; - the conditions that must be met in order that investment aid might be given to large hydroelectric installations; - clarification of the application of State aid rules; - reference to compensation payments for avoided external costs; - the importance of market forces to develop electricity produced from renewable energy sources; - clarifying that it is not the intention of this proposed Directive to interfere excesively with the normal use of biomass.