Basic information

2004/2153(INI) INI - Own-initiative procedure	Procedure completed
The share of renewable energy sources in the European Union: proposals for concrete actions **Subject** 3.60.05 Alternative and renewable energies	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	TURMES Claude (Verts /ALE)	21/09/2004

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety	PAPADIMOULIS Dimitrios (GUE/NGL)	30/11/2004
AGRI Agriculture and Rural Development	JEGGLE Elisabeth (PPE-DE)	21/09/2004

Council of the European Union

Council configuration	Meetings	Date
Transport, Telecommunications and Energy	2625	2004-11-29

Key events

Date	Event	Reference	Summary
26/05/2004	Non-legislative basic document published	COM(2004)0366	Summary
28/10/2004	Committee referral announced in Parliament		
29/11/2004	Resolution/conclusions adopted by Council		Summary
21/06/2005	Vote in committee		Summary
06/07/2005	Committee report tabled for plenary	A6-0227/2005	
28/09/2005	Debate in Parliament		
29/09/2005	Decision by Parliament	T6-0365/2005	Summary

29/09/2005	Results of vote in Parliament		
29/09/2005	End of procedure in Parliament		

Technical information	
Procedure reference	2004/2153(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
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Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/23587

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee opinion	AGRI	PE353.633	21/04/2005	
Committee opinion	ENVI	PE353.648	29/04/2005	
Committee report tabled for plenary, single reading		A6-0227/2005	06/07/2005	
Text adopted by Parliament, single reading		T6-0365/2005 OJ C 227 21.09.2006, p. 0524-0599 E	29/09/2005	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2004)0366	26/05/2004	Summary
Commission response to text adopted in plenary	SP(2005)4374	13/12/2005	

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

2004/2153(INI) - 26/05/2004 - Non-legislative basic document

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.

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

2004/2153(INI) - 29/09/2005 - Text adopted by Parliament, single reading

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.

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

2004/2153(INI) - 29/11/2004

The Council adopted conclusions in which it endorses the Commission's assessment of the development of the contribution of renewable energy sources to sustainable energy supply in the EU.

The main issues dealt with concern the following :

1) Institutional, administrative and technical barriers : with a view to contributing to a well-functioning market, allowing for the successful development of renewable energy, due attention should be paid by Member States to various pre-conditions, such as reducing planning and licensing red tape, facilitating

grid access, the set-up of the technical system, preserving network stability notably in case of large injection of intermittent renewable electricity, providing sufficient network capacity and cross-border interconnection, and to the provision of guarantee of origin. It requires also appropriate policy framework conditions and incentives for targeted and efficient support to contribute to the security of investment. The specific technical competence of the system operators as well as the adequate provision of the ancillary services (e.g. balancing) are equally important. The importance of local factors has to be recognised. Lastly, the development of heating and cooling from renewable sources needs further attention and would benefit from assessing its potential and identifying specific barriers. As a first step, the Commission, in collaboration with the Member States, is invited to carry out this assessment of both the potential and the barriers;

2) European Biomass Energy Action Plan : the Council welcomes the idea of an action plan which should be based on scientific data and commercial experiences. It should include analysis of potentials and how biomass can be utilised in a cost-effective and sustainable way. The findings should be collected and compiled by the Commission and made available to the Member States. The plan

should deal with the use of biomass in the three areas electricity, heating/cooling and transport, taking into account potential conflicts and synergies that may arise from the use of biomass for different purposes;

3) Renewable energy conference : it could be beneficial for EU policy-makers in the field of renewable energy to avail themselves of an informal conference for the development of renewable energy policy, comparable to the Florence and Madrid fora whose decisive contribution to the functioning of the electricity and gas internal market is widely acknowledged. The Council would support initiatives leading to the establishment of such a conference comprising all relevant stakeholders, to address both the implementation of the Renewables Directive and the broader administrative and technical issues as well as the operation of the market in relation to the promotion of renewable energy;

4) Sources of renewable energy with high potential such as wind offshore energy : in order for several sources with a high technical and economical potential to make a significant contribution to meeting the EU-targets on renewable energy there is a need for enhanced co-operation and planning between European network operators, the competent authorities and, where appropriate, the European Commission notably on electricity grid integration issues, for joint R&D efforts focussing on further cost reductions of supporting technologies and for an improved exchange of information on the environmental implications of these technologies. Efforts should be made not only in developing these sources but also in removing the barriers that prevent their penetration of the market. Taking into account the large potential of wind energy, and notably offshore wind energy in the EU, the statements and recommendations of the recent EU Policy Workshop Development of Offshore Wind Energy in Egmond, the Netherlands, are worth noting. These recommendations refer to specific actions on market development, environment, grid integration and follow-up, which according to the recommendations should be undertaken by the European Commission, Member States and essential stakeholders. In this respect, the Danish offer to organise a follow-up seminar in 2005 is welcomed;

5) Community financial instruments : while the role of the private sector and market-based instruments in the development of renewable energy should be duly acknowledged, renewable energy should be

given adequate priority in Community funding, making sure that added value is achieved at Community level. To the extent possible consistency should be ensured between national programmes and these instruments while leaving national actors decide on the most appropriate projects. It is also important that Member States learn from each others good practices concerning financing and other incentives.

In this context, due attention should be given to the need to address the gap between the demonstration and market phases of renewable technologies;

6) Actions in third countries : the EU should continue to defend its global leading role with progressive policies and measures, use its influence to prioritise and further strengthen an efficient renewable energy deployment policy in relevant international bodies such as OECD, IEA, World Bank and the "Johannesburg Renewable Energy Coalition - JREC" and use the global increase in the use of renewable energies as a means of making a substantial contribution to climate protection;

7) Medium and long term strategy : the EU should develop a strategy for addressing the medium and long term time frame for renewable energy beyond 2010 along the lines set out in the Commission's

Communication. In developing this strategy, especially as regards possible new long term targets : the progress of international climate change negotiations should be taken into account; the interplay between targets and the EU-emissions trading scheme should be carefully taken into account as this scheme is affecting the energy market conditions; adequate R & D has to be provided.

As regards the setting of new targets on renewable electricity for 2020 this process should start at the end of 2005.

Before deciding on new steps for the period beyond 2010, a thorough assessment of the progress made towards the 2010 targets, the costs and benefits, inter alia to final consumers, and progress in energy efficiency, should be made.