Basic information

2016/2041(INI) INI - Own-initiative procedure	Procedure completed
Renewable energy progress report **Subject** 3.60.05 Alternative and renewable energies 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.03 Climate policy, climate change, ozone layer	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	LÓPEZ BERMEJO Paloma (GUE/NGL)	11/11/2015
	Shadow rapporteur BENDTSEN Bendt (PPE) MOLNÁR Csaba (S&D) VAN BOSSUYT Anneleen (ECR) GERBRANDY Gerben-Jan (ALDE) JÁVOR Benedek (Verts/ALE) TAMBURRANO Dario (EFDD) SCHAFFHAUSER Jean-Luc (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
INTA International Trade	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
ENVI Environment, Public Health and Food Safety (Associated committee)	PETIR Marijana (PPE)	16/12/2015
TRAN Transport and Tourism	The committee decided not to give an opinion.	

	REGI Regional Development	OMARJEE Younous (GUE/NGL)	12/11/2015
	AGRI Agriculture and Rural Development	BOGOVIČ Franc (PPE)	11/01/2016
	JURI Legal Affairs	The committee decided not to give an opinion.	

European Commission	Commission DG	Commissioner
	Energy	ARIAS CAÑETE Miguel

Key events

Date	Event	Reference	Summary
15/06/2015	Non-legislative basic document published	COM(2015)0293	Summary
14/04/2016	Committee referral announced in Parliament		
14/04/2016	Referral to associated committees announced in Parliament		
24/05/2016	Vote in committee		
31/05/2016	Committee report tabled for plenary	A8-0196/2016	Summary
23/06/2016	Decision by Parliament	T8-0292/2016	Summary
23/06/2016	Results of vote in Parliament		
23/06/2016	Debate in Parliament		
23/06/2016	End of procedure in Parliament		

Technical information

Procedure reference	2016/2041(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/8/05844

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE578.523	04/04/2016	
Amendments tabled in committee		PE580.708	18/04/2016	
Committee opinion	REGI	PE578.466	21/04/2016	
Committee opinion	ENVI	PE575.374	29/04/2016	
Committee opinion	AGRI	PE578.551	11/05/2016	
Committee report tabled for plenary, single reading		A8-0196/2016	31/05/2016	Summary
Text adopted by Parliament, single reading		T8-0292/2016	23/06/2016	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2015)0293	15/06/2015	Summary
Commission response to text adopted in plenary	SP(2016)614	21/11/2016	

Renewable energy progress report

2016/2041(INI) - 15/06/2015 - Non-legislative basic document

PURPOSE: presentation of a Commission report on the progress on renewable energy.

BACKGROUND: **a comprehensive European policy framework** to support the development and integration of renewables based on quantified targets, regulatory clarity and market based investment incentives compatible with State aid rules is in place since 2009.

The Renewable Energy Directive with the legally binding 20% EU target, 10% target for renewable energy use in transport and the binding national targets for 2020 forms an integral part of the EU energy policy.

The mid-term evaluation of the regulatory fitness of Renewable Energy Directive carried out in 2014 indicates that **all articles of the Directive are relevant for its objective** (increasing sustainably the share of renewable energy in the final energy consumption of the EU and its Member States) and the Directive has been successful in meeting these objectives. Nevertheless, the level of effectiveness and efficiency of the measures laid down by the Directive varies, depending on a number of factors, notably their implementation at Member State level.

CONTENT: the aim of this report is to provide a mid-term assessment of the **progress of the EU and its Member States** towards the 2020 renewable energy targets. It also includes:

- **an assessment of the feasibility of 10% renewable energy target for transport**, the sustainability of biofuels and bioliquids consumed in the EU and the impacts of this consumption;
- a preliminary assessment of the efficiency and effectiveness of the Directive in line with the requirements of Communication on Regulatory fitness and performance (REFIT programme).

1) Progress in deploying renewable energy: the report notes that with less than six years to go to the end of 2020, a **majority of the Member States are well on track** to meeting the renewable energy targets laid down in the Renewable Energy Directive.

For the EU as a whole, there are good prospects that the 2020 target will be reached. In 2013, the combined EU share of renewable energy reached 15%. The estimate **for 2014 indicates a 15.3% share**, which is above the trajectory for the EU as a whole. 26 Member States met their first 2011/2012 interim target and 25 Member States are expected to meet their 2013/2014 target. Some have already reached their 2020 targets.

The report sets out the following observations:

(a) Heating and cooling: renewable energy share in the heating and cooling sector was estimated to be **16.6% in 2014**. 22 Member States were on track and only 6 (Denmark, Ireland, France, the Netherlands, Portugal, Slovakia) did not meet their planned 2013 renewable energy deployment level in the heating and cooling sector

(b) Electricity: in 2013, renewable electricity generation accounted for almost **26% of total EU gross electricity generation.** About 10% of the total EU electricity is sourced from variable renewable electricity (such as wind and solar).

Hydropower plants generate by far the largest share of electricity from renewable energy sources, while their share of total renewable electricity generation shrank from 94% to 43% over the 1990-2013. **Wind power** generation more than tripled over the period 2005-2014 and it has become the second largest contributor to renewable electricity, overtaking biomass. Solar electricity generation has also increased rapidly and in 2013 accounted for 10% of all renewable electricity.

15 Member States (Belgium, Bulgaria, Germany, Estonia, Spain, Croatia, Italy, Cyprus,

Latvia, Lithuania, the Netherlands, Romania, Finland, Sweden and United Kingdom) were above their indicative trajectory shares for renewable electricity use in 2013.

(c) Transport: in this sector, the target for 2020 is to achieve 10% share of renewable energy, the bulk of which is still expected to come from biofuels. However, **the progress in the past five years towards this target has been slow** – with a projection of only 5.7% renewable energy in transport in 2014. The main reason for this was uncertainty caused by delay in finalisation of the policy to limit the risks of indirect land-use change, and insufficient progress in deployment of alternative, second-generation biofuels. A political agreement on limiting the impact from indirect land use change has meanwhile been reached.

The Commission considers that achieving 10% renewable energy target for transport by 2020 **is challenging, but remains feasible** and progress achieved in some Member States testifies to this. Sweden is the only Member State that has already reached its renewable energy target for transport with the 2013 share reaching 16.7%.

A **breakthrough in advanced biofuels**, and a comprehensive approach towards **decarbonisation of the transport sector**, including decisive steps towards increasing the share of renewable electricity in transport, remains key.

2) Creating an enabling environment: the report notes that for a number of Member States, reaching the targets may appear difficult not least due to the **steeper slope of the trajectory and persistent market barriers**. Despite steady progress until now, the achievement of the 2020 targets is still largely dependent on continuity of current policies in Member States and additional measures enabling deployment of renewable energy. For certain Member States this will require cooperation with other Member States. Other Member States will need to address non-cost barriers in order to boost development and deployment of renewables and allow their full integration in the energy market. The Commission suggests **intensifying efforts by making use of the cooperation mechanisms with other Member States as set out in the Directive.**

3) REFIT evaluation: the evaluation of the Renewable Energy Directive carried out in 2014 in the context of the REFIT programme, indicates that **the Directive is effective and achieves its objectives,** but its implementation **could be improved at Member States' level**. The REFIT evaluation also indicate that the effectiveness and efficiency of almost all the provisions of the Directive could be further enhanced by putting **a stable post-2020 policy framework in place.**

The Commission will continue to engage with the Member States and all stakeholders to ensure the deployment and integration of increasing shares of renewable energy in line with the EU 2020 renewable energy targets, and the view towards future achievement of 2030 energy and climate framework targets.

Renewable energy progress report

2016/2041(INI) - 31/05/2016 - Committee report tabled for plenary, single reading

The Committee on Industry, Research and Energy adopted the own-initiative report by Paloma LÓPEZ BERMEJO (GUE/NGL, ES) in response to the Commission’s report on the progress accomplished in the area of renewable energy.

The Committee on the Environment, Public Health and Food Safety, exercising the prerogative of an associated committee in line with Article 54 of the Rules of Procedure of the European Parliament, was also consulted to give an opinion on the report.

Progress on renewables: while welcoming the Commission’s commitments on renewable energy, Members urged the Commission to ensure full implementation of the 2020 Renewable Energy Directive and to put **forward an ambitious post-2020 legislative framework**. They stressed, in this regard, that a stable long-term regulatory framework is needed, including **national and EU renewable energy targets** that are consistent with the most efficient path towards the Union's long-term climate goals (2050).

While noting with satisfaction that the EU is on track to meet its 2020 target, Members expressed concern at the large number of countries (Belgium, France, Luxembourg, Malta, the Netherlands, Spain and the United Kingdom) which, according to estimates, may have to strengthen their policies and tools to ensure they meet their 2020 objectives, while achievement thereof is also not certain in the case of Hungary and Poland. Member States are called upon to **undertake additional measures** to get back on track.

Members regretted that the Commission’s Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives.

Noting that the existence of a variety of different policies for promoting renewable energy risks further widening the competitiveness gap among EU countries, Members pointed out the need to have an **EU financial mechanism** aimed at reducing high risk-derived capital costs of renewable energy projects.

The report focused on the importance of:

- **sharing best practices** in terms of national renewable energy policies and of promoting their adoption under a more convergent European model, favouring increased cooperation and coordination among Member States;

- maintaining **reporting obligations** in the monitoring of Member States' progress in the post-2020 period;
- including an evaluation of the impact of renewables on cost and prices, especially prices for households, in the future renewable energy progress reports;
- an **EU legislative proposal** on energy market rules;
- **stable and cost-effective renewable support schemes** for long-term investment that remain responsive and adaptable in the short term and are tailored to national needs and circumstances;
- ensuring **access to capital**, particularly for SMEs and supporting research and development in the fields of renewable energy;
- support schemes at all levels which should be focused on **technologies with great potential** for reducing the costs of renewables and/or increasing market uptake of renewables;
- making better use of the funding opportunities offered by ERDF and the Cohesion Fund;
- increased cooperation and coordination within and between Member States and regions;
- strengthening of **transparency** and public participation, with the involvement of all relevant stakeholders at an early stage in the development of national plans for renewable energy.

Renewables for the future: Members stated that, in the light of the recent COP21 agreement of December 2015, the Commission should present a more ambitious climate and energy package 2030 which **increases the EU target for RES to at least 30 %** to be implemented by means of individual national targets.

The report stressed that the **targets already agreed for 2020 must be taken as the minimum baseline** when revising the Renewables Energy Directive, so that Member States cannot go below their 2020 national target after 2020. Members highlighted the need to define a **strong, robust and transparent governance system** to ensure the implementation of the 2030 renewable energy target with due respect for national competences in determining the energy mix, while allowing for full democratic control and scrutiny of energy policies.

Recognising that tax cuts are a powerful incentive for making the shift from fossil energy to renewable energy, the report urged the Commission to **reform** the Energy Taxation Directive and the **state-aid rules** which are preventing these incentives from being used to their full potential. It also stressed the importance of:

- **single binding templates for national energy and climate plans** in order to ensure comparability, transparency and predictability for investors;
- **adequate financing at EU level**, to be achieved inter alia by applying conditionality in existing funds and by comprehensively de-risking investments in order to incentivise broad use of renewable energy sources.

Citizen and Community Energy: convinced that local authorities, communities, households and individuals should form the backbone of the energy transition, Members stated that they should be actively supported to help them become energy producers and suppliers on an equal footing with other players in the energy market.

In this context, they called for a common comprehensive **definition of the concept of 'prosumer' at EU level** and considered it of major importance to establish a basic right to self-generation and self-consumption, as well as the right to store and sell excess electricity at a fair price. Therefore, they called for the introduction of a new Citizen and Community Energy chapter under the revised Renewable Energy Directive.

Electricity: Members stressed that the renewable electricity production should be **integrated into the electricity distribution systems at all levels**, as well as into transmission systems, given the changes towards a more flexible and decentralised model for energy production that takes account of the market.

As long as the electricity system is inflexible, Members stated that priority access and dispatch for renewable energies is needed in order to promote grid upgrades and foster the deployment of storage and demand response. The Commission is called upon to make **proposals for strengthening and clarifying priority access and dispatch rules** for renewable energy in the post-2020 period.

Heating and cooling: highlighting the lack of progress and low targets set for renewable use in heating and cooling, in particular in buildings, Members called for **further measures** to exploit the remaining significant potential of renewable energy in the heating and cooling sectors in order to fully achieve the 2020 goals.

They stressed the need to: (i) **facilitate a transition** to energy-efficient renewable heating devices, while ensuring adequate support and enhanced information and assistance for energy-poor citizens; (ii) lay down a comprehensive and effective definition of renewable cooling; (iii) renovate and enhance the performance of district heating and cooling systems.

Transport: Members noted that the target of 10 % renewables by 2020 in the transport sector is significantly lagging behind, partly owing to the challenges for a biofuel-based renewable strategy for transport. They called on the Member States to increase their efforts to deploy sustainable measures in the transport sector such as demand reduction, a modal shift towards more sustainable modes, better efficiency and the electrification of the transport sector.

The Commission should develop a **framework for the promotion of the use of electric vehicles fed by renewable electricity** and to improve the legislative framework so that it offers prospects for biofuels with high GHG-efficiency, taking into account indirect land use change (ILUC) in the period after 2020.

Sustainability criteria for biofuels and bioliquids: Members called on the Commission, given the need for greater synergy and consistency in European policies, to lay down sustainability criteria for bioenergy, taking into account a thorough assessment of the functioning of existing EU sustainability policies and the circular economy policies. However, they stressed that the production of biofuels should not interfere with food production or compromise food security.

Member States and the Commission are encouraged to promote the importance of **sustainable forest management, and hence the key role of forest biomass** as one of the EU's crucial renewable raw materials for reaching its energy targets.

Renewable energy progress report

2016/2041(INI) - 23/06/2016 - Text adopted by Parliament, single reading

The European Parliament adopted by 444 votes to 103, with 23 abstentions, a resolution on the renewable energy progress report.

Members recalled that ambitious policies for renewable energy, in combination with energy efficiency, are a major driving force in reducing the EU´s imports dependency and its overall external energy bill and enhancing energy security vis-à-vis external providers. They may also contribute to the elimination of energy poverty and foster the economic development and technological leadership of the EU while tackling climate change.

Progress on renewables: while noting with satisfaction that the EU is on track to meet its 2020 target, Members expressed concern at the large number of countries (Belgium, France, Luxembourg, Malta, the Netherlands, Spain and the United Kingdom) which, according to estimates, may have to strengthen their policies and tools to ensure they meet their 2020 objectives, while achievement thereof is also not certain in the case of Hungary and Poland. Member States are called upon to **undertake additional measures** to get back on track.

Members regretted that the Commission's Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives.

While welcoming the Commission's commitments on renewable energy, Parliament urged the Commission to ensure full implementation of the 2020 Renewable Energy Directive and to put **forward an ambitious post-2020 legislative framework**. It stressed, in this regard, that a stable long-term regulatory framework is needed, including **national and EU renewable energy targets** that are consistent with the most efficient path towards the Union's long-term climate goals (2050).

It also regretted that the Commission's Renewables Progress Report does not put forward country-specific recommendations to adjust their policies and tools to ensure they meet their 2020 objectives.

Noting that the existence of a variety of different policies for promoting renewable energy risks further widening the competitiveness gap among EU countries, Parliament stressed that **access to capital is key** and pointed out the need to have an **EU financial mechanism** aimed at reducing high risk-derived capital costs of renewable energy projects.

The resolution focused on the importance of:

- **sharing best practices** in terms of national renewable energy policies and of promoting their adoption under a more convergent European model, favouring increased cooperation and coordination among Member States;
- **maintaining reporting obligations** in the monitoring of Member States' progress in the post-2020 period;
- including an **evaluation of the impact** of renewables on cost and prices, especially prices for households, in the future renewable energy progress reports;
- an **EU legislative proposal** on energy market rules;
- stable and cost-effective renewable **support schemes** for long-term investment that remain responsive and adaptable in the short term and are tailored to national needs and circumstances;
- ensuring **access to capital**, particularly for SMEs and supporting research and development in the fields of renewable energy;
- support schemes at all levels which should be focused on **technologies with great potential** for reducing the costs of renewables and/or increasing market uptake of renewables;
- making better use of the funding opportunities offered by ERDF and the Cohesion Fund;
- increased cooperation and coordination within and between Member States and regions;
- strengthening of **transparency** and public participation, with the involvement of all relevant stakeholders at an early stage in the development of national plans for renewable energy;
- ensuring that **labour standards** are not lowered as a result of the energy transition, which should be based on the creation of quality jobs.

Renewables for the future: in the light of the recent COP21 agreement of December 2015 and with the agreed goal of keeping the global temperature increase to 1.5 °C above pre-industrial levels, Parliament called on the Commission should present a more ambitious climate and energy package 2030 which **increases the EU target for RES to at least 30 %** to be implemented by means of individual national targets. The **targets already agreed for 2020 must be taken as the minimum baseline** when revising the Renewables Energy Directive.

Members also highlighted the need to define a **strong, robust and transparent governance system** to ensure the implementation of the 2030 renewable energy target with due respect for national competences in determining the energy mix, while allowing for full democratic control and scrutiny of energy policies.

Recognising that tax cuts are a powerful incentive for making the shift from fossil energy to renewable energy, Parliament called on the Commission to **reform** the Energy Taxation Directive and the **state-aid rules** which are preventing these incentives from being used to their full potential. It also stressed the importance of:

- **single binding templates for national energy and climate plans** in order to ensure comparability, transparency and predictability for investors;
- codify in legislation a **grandfathering principle** for renewable energy power plants to prevent retroactive changes to renewable energy support mechanisms;
- **adequate financing at EU level**, to be achieved inter alia by applying conditionality in existing funds and by comprehensively de-risking investments in order to incentivise broad use of renewable energy sources.

Citizen and Community Energy: Parliament stated that **local authorities, communities, households and individuals** should form the backbone of the energy transition and should be actively supported to help them become energy producers and suppliers on an equal footing with other players in the

energy market. It called for a **common comprehensive definition of the concept of 'prosumer' at EU level** and considered it of major importance to establish a basic right to self-generation and selfconsumption, as well as the right to store and sell excess electricity at a fair price. Therefore, it called for the introduction of a new Citizen and Community Energy chapter under the revised Renewable Energy Directive.

Electricity: Members stressed that the renewable electricity production should be **integrated into the electricity distribution systems at all levels**, as well as into transmission systems, given the changes towards a more flexible and decentralised model for energy production that takes account of the market.

Stating that developing **electricity storage solutions** will be an indispensable element in the development and integration of high levels of renewable energy, Parliament called for a revision of the existing regulatory framework in order to promote the deployment of energy storage systems and remove existing barriers.

Noting that consumers should be empowered and have the right incentives to participate in energy markets, Members noted that **dynamic, market-based prices should be designed** to elicit appropriate demand responses from consumers and activate necessary production.

Heating and cooling: highlighting the lack of progress and low targets set for renewable use in heating and cooling, in particular in buildings, Parliament called for **further measures** to exploit the remaining significant potential of renewable energy in the heating and cooling sectors in order to fully achieve the 2020 goals. It stressed the need to: (i) **facilitate a transition** to energy-efficient renewable heating devices, while ensuring adequate support and enhanced information and assistance for energy-poor citizens; (ii) lay down a comprehensive and effective definition of renewable cooling; (iii) renovate and enhance the performance of district heating and cooling systems.

Transport: Parliament noted that the target of 10 % renewables by 2020 in the transport sector is significantly lagging behind, partly owing to the challenges for a biofuel-based renewable strategy for transport. It called on the Member States to increase their efforts to deploy sustainable measures in the transport sector such as demand reduction, a modal shift towards more sustainable modes, better efficiency and the electrification of the transport sector.

The Commission should develop a **framework for the promotion of the use of electric vehicles fed by renewable electricity** and to improve the legislative framework so that it offers prospects for biofuels with high GHG-efficiency, taking into account indirect land use change (ILUC) in the period after 2020.

Sustainability criteria for biofuels and bioliquids: Parliament also called on the Commission, given the need for greater synergy and consistency in European policies, to lay down sustainability criteria for bioenergy, taking into account a thorough assessment of the functioning of existing EU sustainability policies and the circular economy policies. However, they stressed that the production of biofuels should not interfere with food production or compromise food security.

Lastly, Member States and the Commission are encouraged to promote the importance of **sustainable forest management, and hence the key role of forest biomass** as one of the EU's crucial renewable raw materials for reaching its energy targets.