



Dialogue on a RES policy
framework for 2030



Pathways for Converging Renewables Policy in Europe towards 2030



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Workshop: “Renewable energy policy in the
EU towards 2030: Challenges and pathways
for convergence”



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What do we mean by EU RES policy convergence?



“The process by which renewable energy policies and related regulations become increasingly similar (or equal) across EU Member States”



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RES Policy Convergence in the current political debate



- ❖ State-Aid Guidelines - April 2014

- ❖ Energy Union Communication - February 2015:
 - ❖ *“The European Commission will facilitate cooperation and convergence of national support schemes”.*
 - ❖ Internal Energy Market: *“uncoordinated renewables support schemes”* should be *“more compatible with the internal energy market”*.
 - ❖ Encourages regional approaches

- ❖ New provisions in Renewables Package 2017?



Scope of convergence

Which elements of RES policy can converge?

- ❖ Framework conditions, e.g. power market regulations, ETS
- ❖ Type of RES policy support instrument
- ❖ RES policy support design elements e.g. supported technologies, support period, etc.
- ❖ Support level per technology or methodologies to determine support level



Drivers and Challenges



❖ Drivers of convergence:

- Internal Energy Market
- Optimised allocation of resources
- Increased competition, reduced transaction costs

❖ Challenges for convergence:

- Very diverse resource and market conditions across EU Member States
- Diverse national energy policies -> different priorities
- Public acceptance



Aim of the towards2030 project (WP 3)



- ❖ **Identify and describe pathways towards European convergence**
 - Building on analysis of harmonisation pathways in the “beyond2020” project
 - Focus on the more realistic convergence pathways that have evolved in the policy debate

- ❖ **Quantitative and qualitative assessment of pathways (until 2016)**

- ❖ **Policy recommendations**



Top-down convergence pathways

European
Institutions



- Setting up a harmonised EU-wide support scheme
- Prescribing specific types of (market-based) instruments (e.g. through State Aid Guidelines)

Member
States



Bottom-up convergence pathways

European
Institutions



- Increased coordination of national policies
- Partial opening of national support schemes
- Joint/regional RES support schemes

Member
States



Relevance of top-down convergence pathways



❖ EU harmonised RES support scheme

- The weaker the commitment of Member States to fulfil the EU 2030 target, the more room for an EU instrument
- EC might use the opportunity of a new legislative proposal for further harmonisation
- But: energy policy is national competence; Member States would need to agree unanimously on harmonisation



Relevance of top-down convergence pathways



❖ Prescribing specific types of (market-based) instruments

- State Aid Guidelines 2014-2020: exposure to electricity markets, competitive bidding (auctioning), but exceptions allowed
- Potential case of strengthened State Aid Guidelines post-2020: “pure” market principles; competitive bidding without exceptions, technology neutral support, full opening of support schemes
- Effect could be very similar to a harmonised support scheme



Relevance of bottom-up convergence pathways



❖ Increased coordination of national policies

- Some mutual learning and coordination has already occurred (e.g. sliding FIP)
- Higher acceptance than top-down convergence
- Potential areas of future coordination: RES auction design (technologies, exceptions from auctioning, prequalification requirements, etc.)
- Increasing cross-border effect of RES deployment calls for increased coordination of RES support, but unlikely that Member States will align their RES ambition



Relevance of bottom-up convergence pathways



❖ Partial opening of national support schemes

- Several Member States consider or plan a partial opening of their RES support scheme
- Partial opening also driven by EC pressure in state aid discussions (e.g. DE, DK, EE)
- Likely use of tenders (volume control)
- Partial opening will require cooperation between supporting and host country



Relevance of bottom-up convergence pathways



❖ Joint/regional RES support schemes

- Discussions on increased regional cooperation
- Limited joint support schemes (e.g. joint tenders) could turn out to be more practical than mutual opening of national support schemes
- Discussions on joint support for selected technologies that provide joint benefits, e.g. wind offshore
- So far no tangible progress



Conclusions

- ❖ 2030 level of convergence will strongly depend on upcoming EU framework
- ❖ Likely that top-down and bottom-up convergence will happen in parallel
- ❖ Slow progress on bottom-up convergence, but higher public acceptability



Next steps in the project

- ❖ Please provide feedback: are important convergence pathways missing?
- ❖ In-depth evaluation of pathways (effectiveness, efficiency, public acceptability, etc.)
- ❖ Informing the upcoming policy debate



Comments or Questions?

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