

Renewable energy and GOs – what future?

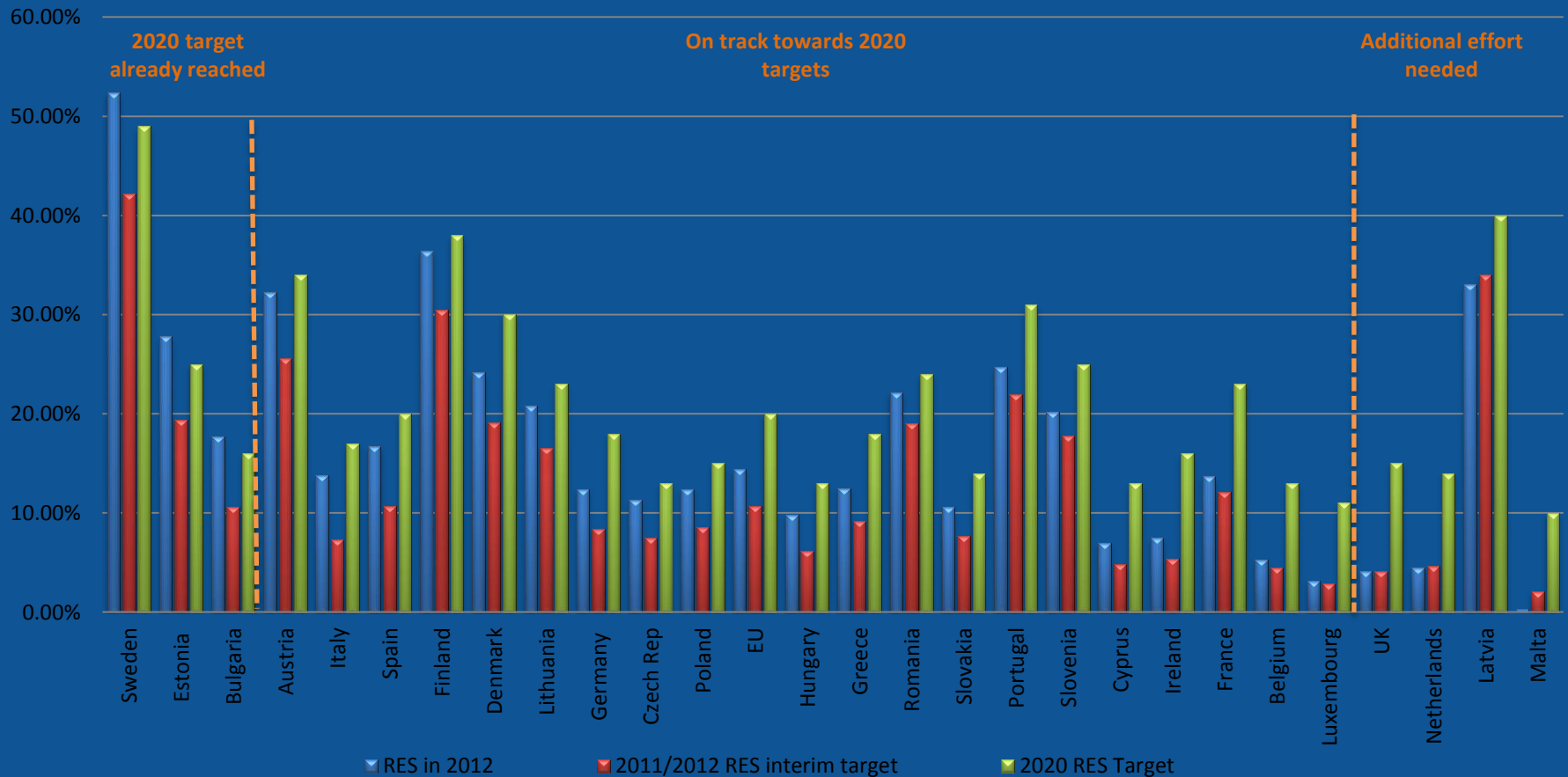
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RES share of the final energy consumption (2012)



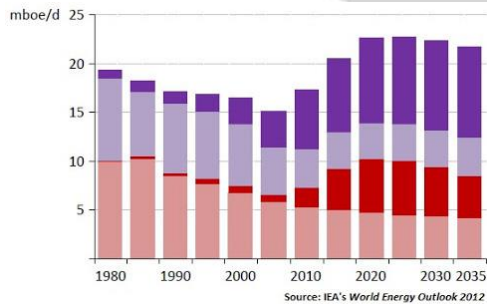
Source: Estimated values, EurObserv'ER, Jan 2014

Climate and energy: where do we stand?

Impact of the financial crisis
Fall in private investment, tight financing conditions

Renewable energy saw rapid cost decreases
Technologies are gradually becoming competitive

Shale gas
US oil and gas production



Unconventional gas
Unconventional oil
Conventional gas
Conventional oil

Ukraine

Review of nuclear policies
at national level

Rising demand
-> rising prices
By 2030, world economy set to double and energy demand to rise by 1/3

Financing renewables growth

- +€70bn capital investment a year in RES
- **EU funds**
 - » 300m ETS allowances (~ €3bn) for innovative investments
 - » > € 26bn EU structural, cohesion, rural development plans/funding
 - » EIB: €2-3bn p.a. for renewable energy, and rising
 - » H2020 funding
- **National support schemes:**
 - » FITs, premiums, obligations/tradable certificates, Directive cooperation mechanisms...
 - » Instruments are modified, reformed, reviewed every year, sometimes smoothly, sometimes less smoothly...
 - » *Direct consumer support via GOs?*

Europeanisation of RES support:

- EC guidance for design and reform
- EC guidance and follow on cooperation mechanisms
- EEAG
 - > **stability + market approach**

Consumer protection & information

Directive 2009/72/EC requires electricity suppliers to disclose their energy mix in the energy bills of consumers

Member States must ensure that the system of disclosure is reliable

Directive 2005/29/EC (unfair commercial practices) is also relevant

It provides protection to consumers and prohibits traders from creating a false impression of the nature of products

It requires that information provided is specific, accurate and unambiguous.

Directive 2009/28/EC (renewables) establishes an instrument for energy mix disclosure

➤ The guarantee of origin...

Implementation phase

- All three Directives now being implemented
 - » RE-DISS project I and II
 - » Member State discussions on implementation (“Concerted Action”)
 - » Liaison with AIB
- Broader? - open scope for widespread use of GOs for other energy sources
- Unique? – not mandatory as the sole instrument or certificate.
 - » However the requirement for accuracy and reliability should ensure that there is no duplication or double counting from different systems.



General EU legislation to assess green claims:

- » **Unfair Commercial Practices Directive (UCPD) 2005/29/EC (DG JUST)**
 - Horizontal legislation to assess environmental claims
 - No specific rules in relation to environmental marketing and advertising

- » **Interplay between UCPD and other EU legislation**
 - UCPD = "safety net". **In case of conflict, the sector specific legislation will prevail.**

- » **Guidance on the implementation of the Directive: review ongoing**



Buying green electricity? Understanding consumer choice

- Electricity consistently performing badly on choice, transparency, quality of service (*source: Consumer Markets Scoreboard*)
- Sustainable consumption is now 'mainstream', but trust is missing
- How to 'nudge' towards green energy?
- > **Retail electricity study on functioning of markets for consumers**
 - > are green electricity claims comprehensible?
 - Will consumers really buy green?
 - Green as important as saving money?

Summing up GOs

- GOs help create a green consumer market & participation as well as a source of financing RES, more trust needed
- Member States need to continue working on building a reliable system
- Disclosure requirements clearly need to be better managed by Member States.
- From the RES perspective, the Commission finances analysis and coordinates Member State discussions on implementation.

Renewable Energy – principles for post-2020 approach

- New approach on ***targets***: no breakdown into national or sectoral targets; based on MS commitments
- ***Support schemes***: stability, convergence, market orientation, phase-out for mature technologies - convergence process already underway
- ***Regional cooperation*** in preparation of national plans

Conclusion:

- Track towards 2020 targets not secured, some Member States need to improve
- The new 2030 package balances ambition with what is feasible, gives MS flexibility
- National pledges and credibility of governance will be crucial
- RES can play key role in securing competitive, sustainable and endogenous energy supply

⇒ ***White smoke expected from 23/24 October
European Council***



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Multi-stakeholder Dialogue on Env. Claims (MDEC)

Context: European Consumer Agenda (2012)

- "Consumers to be assisted and encouraged in sustainable choices"
- "Effective tools needed to prevent misleading claims"

Purpose:

- Provide better understanding on green claims
- Assess scope of problem of misleading green claims
- Identify challenges from different perspectives and best practices

Report with conclusions and recommendations from the MDEC presented at 2013 Consumer Summit:

- General terms (like green, eco-friendly...) are likely to be misleading in majority of cases (unless accurate qualifications...)
- Further development of knowledge base needed on presence (misleading) green claims
- Recommendations how to revise UCPD guidance
- Practical advice (key principles) for businesses

Follow-up : **EU consumer market study** on environmental claims (non-food)

Informal consultation ongoing with MDEC on **MDEC next steps** (focus will stay cross-sectoral) --> informed choices for consumers – level playing field for business