

## **Making the Green Package proposals more effective**

- **European regulators welcome the green package proposals**
- **Emissions trading proposals and energy efficiency targets are a welcome step forward**
- **Concerns over priority access for renewables, given rising energy prices and the impact on customers of increased investment relating to renewables, can be addressed during the co-decision process**

In a statement issued today, European Energy Regulators welcomed the Green Package proposed by the European Commission on 23<sup>rd</sup> January 2008 and expressed their views on some of the key provisions foreseen by the package designed to help the European Union to meet its goal of reducing Europe's carbon emissions by 20 percent by 2020.

Sir John Mogg, Chairman of the European Regulators Group for Electricity and Gas (ERGEG) said: "We welcome the proposals as a major step forward in policy to address the fundamentally important challenge of climate change. The targets, in particular for renewables, are very ambitious but European energy regulators offer experience and expertise to contribute to their delivery, as far as we can within our powers. We have published our views on how these proposals can be delivered efficiently and effectively."

Binding targets on renewable generation were agreed by Heads of State in March 2007 and are incorporated into the Commission's proposal. They include a target to source 20% of final energy consumed (electricity, heat and transport) from renewable generation and to source 10% of energy used in transport from biofuels.

ERGEG considers that the proposals for renewable energy will require a huge increase in investment in generation and infrastructure. At a time of rapidly rising prices, the high levels of investment will also impact on customers (especially the vulnerable) who contribute to costs for connecting renewable generators. Member States must be tasked to address this. In addition, the Directive must recognise that delays in obtaining planning consents are very common: deadlines for approving applications must be met.

ERGEG is particularly concerned about the blanket requirement to provide priority access to renewables. There should be scope to consider local circumstances in each Member State (e.g. to protect security of supply). The wording of the Directive will need to reflect this.

The Green Package proposals include an extension of the European Emissions Trading Scheme (EU-ETS) and further commitments on energy efficiency. ERGEG views energy efficiency as one of the most cost effective means of reducing greenhouse gas emissions. Facilitating energy efficiency should be a key objective for all Member States. ERGEG also welcomes the extension of the EU ETS in Phase III to include more sectors and gases, and full auctioning of emissions permits for the electricity sector. It supports the removal of National Allocation Plans (i.e. the total amount of emissions permits allocated to each Member State for each ETS phase) as this will increase transparency and consistency of the scheme between different countries. ERGEG also notes that the provisions in the draft Renewables Directive regarding Guarantees of Origin are potentially useful but need further development.

**(see Note to Editors on next page)**

**Notes to Editors:**

1. See CEER Position Paper on the European Commission's Green Package (ref. C08-SDE-02-06) on [www.energy-regulators.eu](http://www.energy-regulators.eu).
2. The European Regulators Group for Electricity and Gas (EREGG) was established by the European Commission in 2003 as its advisory group on Internal Energy Market issues. ERGEG is the formal means by which European energy regulators advise the European Commission.
3. Key aspects of ERGEG's views on the Green Package proposals:
  - Meeting the renewable targets will require significant increases in investment for energy generation and infrastructure;
  - Implementing the necessary provisions for achieving the EU's renewables and climate change targets will imply costs, which are often transferred to customers; the impact on vulnerable customers in particular should be addressed by Member States;
  - Planning and building applications are often lengthy processes which should be improved and shortened in order for renewable goals to be achievable;
  - Requiring priority grid access for renewables could affect local circumstances in the Member States and some flexibility should be foreseen in the Directive;
  - Facilitating energy efficiency should be a key objective for all Member States and extending the Emissions Trading Scheme to other sectors and gases and moving to full auctioning are positive developments;
  - Removing the National Allocation Plans (i.e. the total amount of emissions permits allocated to each Member State for each ETS phase) will increase transparency and consistency of the scheme between different countries.
4. The following documents, available on the European Energy Regulators website, provide additional background on ERGEG's views on the issues addressed in this press release: *EREGG Status Review on Building and Construction Authorisation and Permit Process – Case Examples* (Ref. E08-EFG-27-04) February 2008; *Cross Border Framework for Electricity Transmission Network Infrastructure - An ERGEG Conclusions Paper* (Ref. E07-ETN-01-03) April 2007; and *CEER Response to the Commission's Review of the European Union Emissions Trading Scheme (EU ETS)*, (Ref. C07-ENV-09-03) July 2007.

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