



EUROPEAN RENEWABLE  
ENERGY COUNCIL



# Renewables in the IEM: encouraging market transformation

Josche Muth  
Secretary General



25<sup>th</sup> June 2013\_Brussels



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*„The internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured.“*

“By 1992...?!???  
Well, maybe by  
2014...”





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„The EU pays the price  
for its outdated and  
poorly interconnected  
infrastructure.“





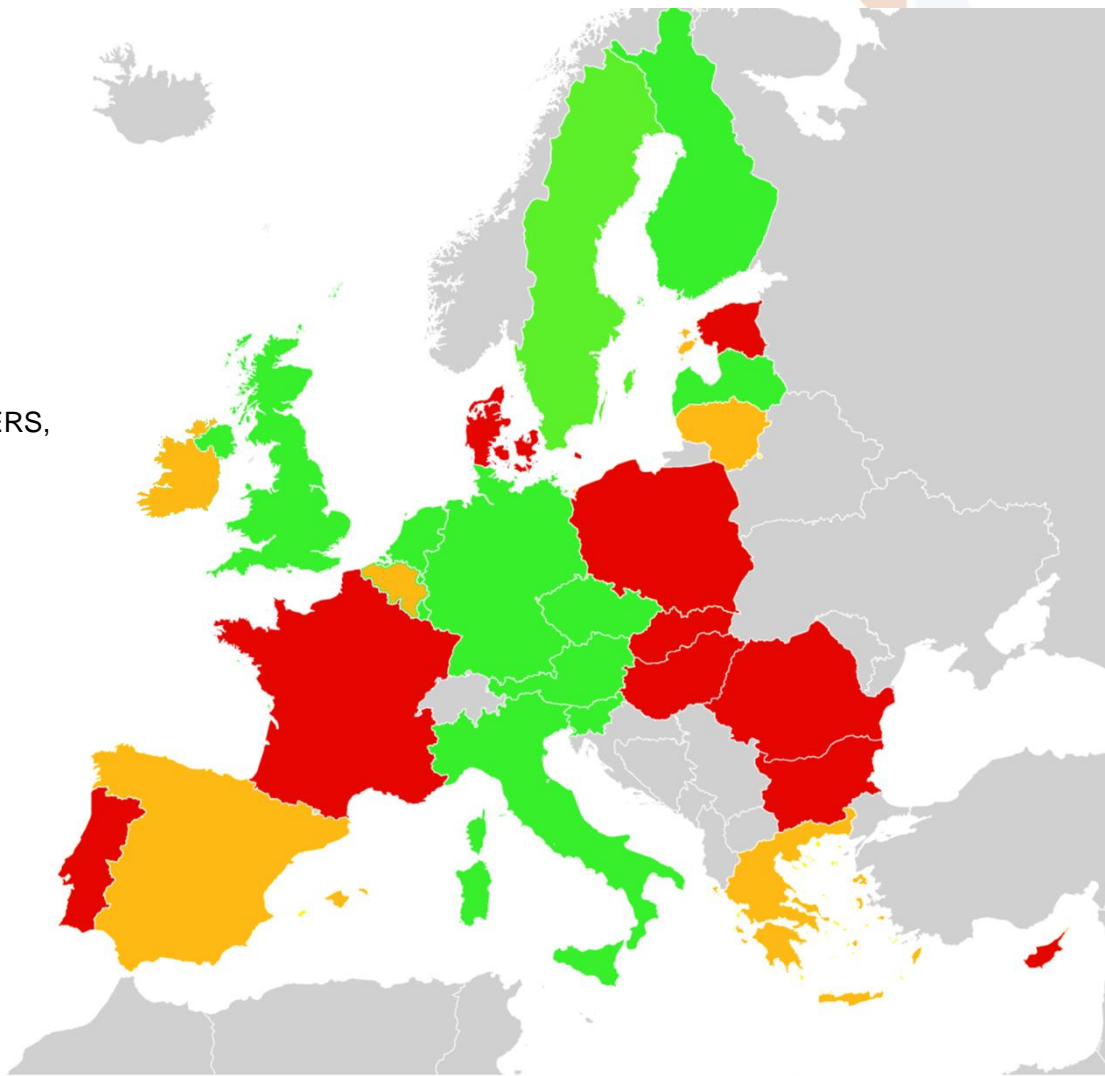
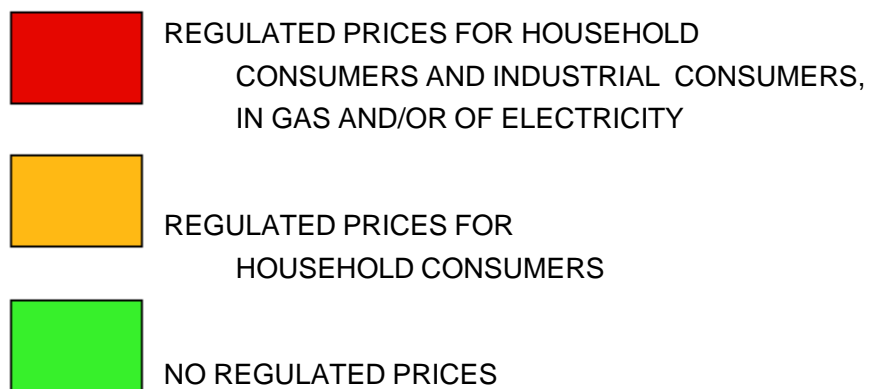


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# Regulated prices in Europe



Member States currently phasing out price regulations:  
By 2013: Greece, Portugal & Lithuania  
By 2017: Romania



Member State	"One Stop Shop"?	One permit? (Nr. of permits?)	Online application for permit?	Max time limit for procedures?	Automatic permission?	Facilitated procedure for small-scale?	Identification of geographic sites?	Automatic entry into financial support scheme?	Overall assessment
Austria	Yes	No (?)	No	No	No	Yes	No	No	⊖
Belgium	No	No (4)	n.a.	Partly (6 mths – 1 yr)	No	No	n.a.	n.a.	⊖
Flanders	No	Partly (2)	n.a.	Yes (15 days - 4 mths)	No	Yes	Yes	No	⊖
Wallonia	No	Partly (2)	n.a.	Yes (90-140 days)	No	Yes	Yes	No	⊖
Brussels	Yes	Partly (2)	n.a.	Yes (20-450 days)	No	Yes	n.a.	n.a.	⊖
Bulgaria	No	No (?)	No	No	No	Yes	Yes	Yes	⊖
Czech Republic	No	No (3)	n.a.	Yes (60 days – 72 mths)	No	Yes	No	n.a.	⊖
Cyprus	Yes	No (5)	No	Yes (2-3 months)	n.a.	Yes	Yes	n.a.	⊖
Denmark	Yes	Yes	n.a.	No	n.a.	Yes	n.a.	Yes	⊖
Estonia	No	No (2)	No	No	No	No	Yes	No	⊖
Finland	No	No (3)	n.a.	n.a.	n.a.	Yes	Yes	n.a.	⊖
France	No	No (3)	Partly	Partly (?-1 yr)	No	Yes	n.a.	No	⊖
Germany	Partly	Partly (2)	Partly	Partly (?-10 months)	n.a.	Yes	Yes	Yes	⊖
Greece	Yes	No (3)	No	Yes (n.a.)	n.a.	Yes	n.a.	n.a.	⊖
Hungary	Yes	Partly	Partly	Yes (n.a.)	n.a.	Yes	n.a.	No	⊖
Ireland	No	No (2)	No	Partly (6 – 8 weeks)	n.a.	Yes	Yes	No	⊖
Italy	Yes	Yes	No	Yes (30-90/180 days)	Partly	Yes	n.a.	No	⊖
Latvia	No	No (8)	No	Partly (30 - 180 days)	n.a.	n.a.	n.a.	No	⊖
Lithuania	Partly	No (2)	n.a.	Partly (10-30 days)	Partly	Yes	n.a.	No	⊖
Luxembourg	No	No (2)	n.a.	Partly (3-5,5 months)	n.a.	Yes	n.a.	n.a.	⊖
Malta	No	Partly	No	Partly (4 weeks)	n.a.	Yes	n.a.	No	⊖
The Netherlands	Yes	Yes	Yes	Partly (6 months)	n.a.	Yes	Yes	No	⊖
Poland	No	No (4)	No	Partly (30-65 days)	Partly	Yes	n.a.	n.a.	⊖
Portugal	Yes	Partly (2)	Partly	Yes (120-250 days + 30 days for connection)	n.a.	Yes	Yes	n.a.	⊖
Romania	No	No (7)	n.a.	Partly (30 days)	n.a.	No	n.a.	No	⊖
Slovakia	No	No (3)	No	Partly (n.a.)	n.a.	Yes	Yes	n.a.	⊖
Slovenia	No	No (>5)	n.a.	No	No	Yes	n.a.	n.a.	⊖
Spain	No	No (>5)	n.a.	Yes (3 mths)	Yes	Partly	n.a.	No	⊖
Sweden	Partly	Partly (2)	Partly	Partly (n.a.)	n.a.	Yes	Yes	No	⊖
UK	No	No (3)	n.a.	Partly (1 yr)	n.a.	Yes	Partly	No	⊖

n.a.= no information, ⊖= needs improvement, ⊕= fair, ⊕= advanced

# Administrative barriers for RES



Source: European Commission



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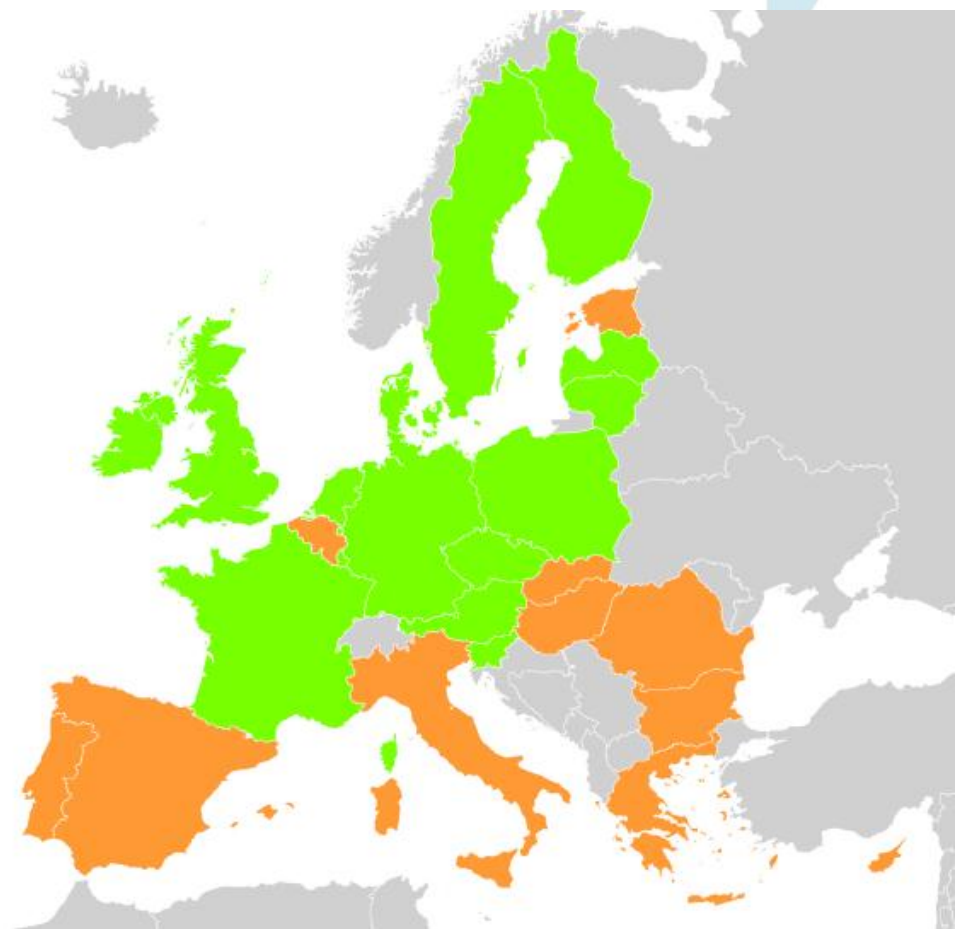
# Independent national energy regulators



*ENERGY REGULATORS ARE INDEPENDENT*



*CONCERNS ABOUT INDEPENDENCE*

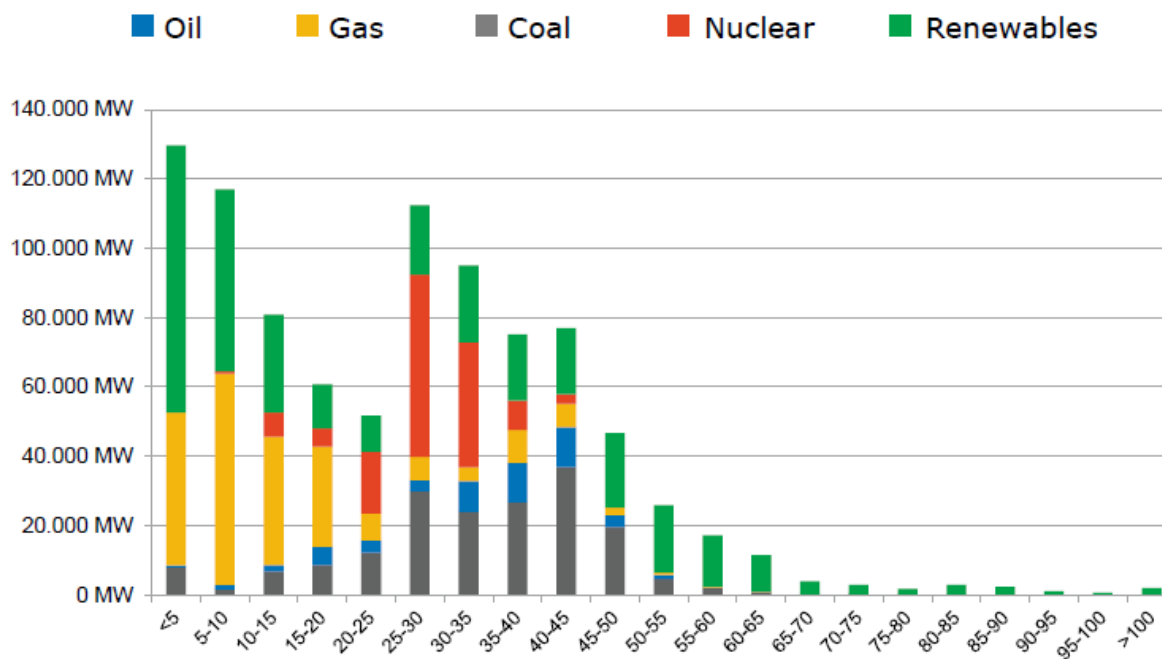


Source: European Commission



# Investments are needed to replace aging installations

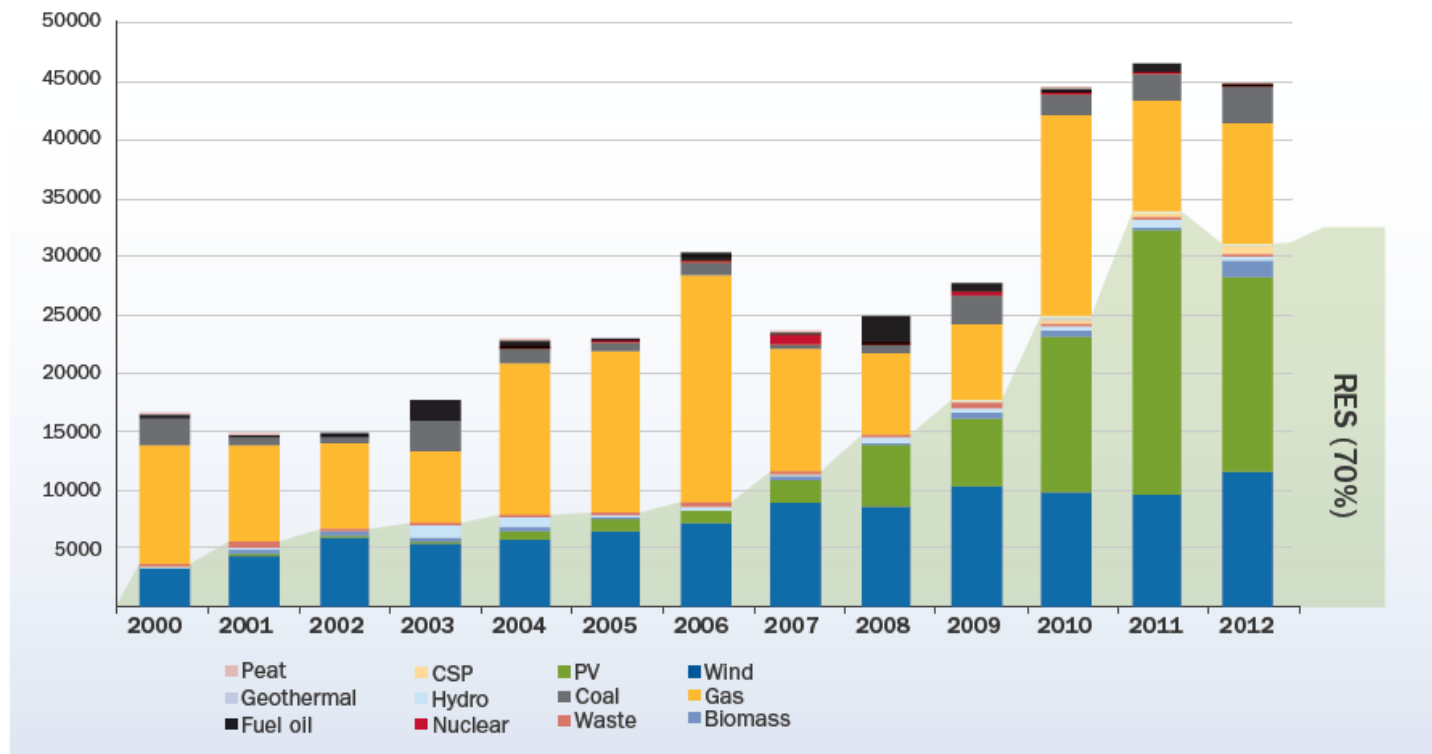
Age of power generating capacities in the EU in 2013 (in years)



Source: European Commission



# 70% of power capacity addition is RES

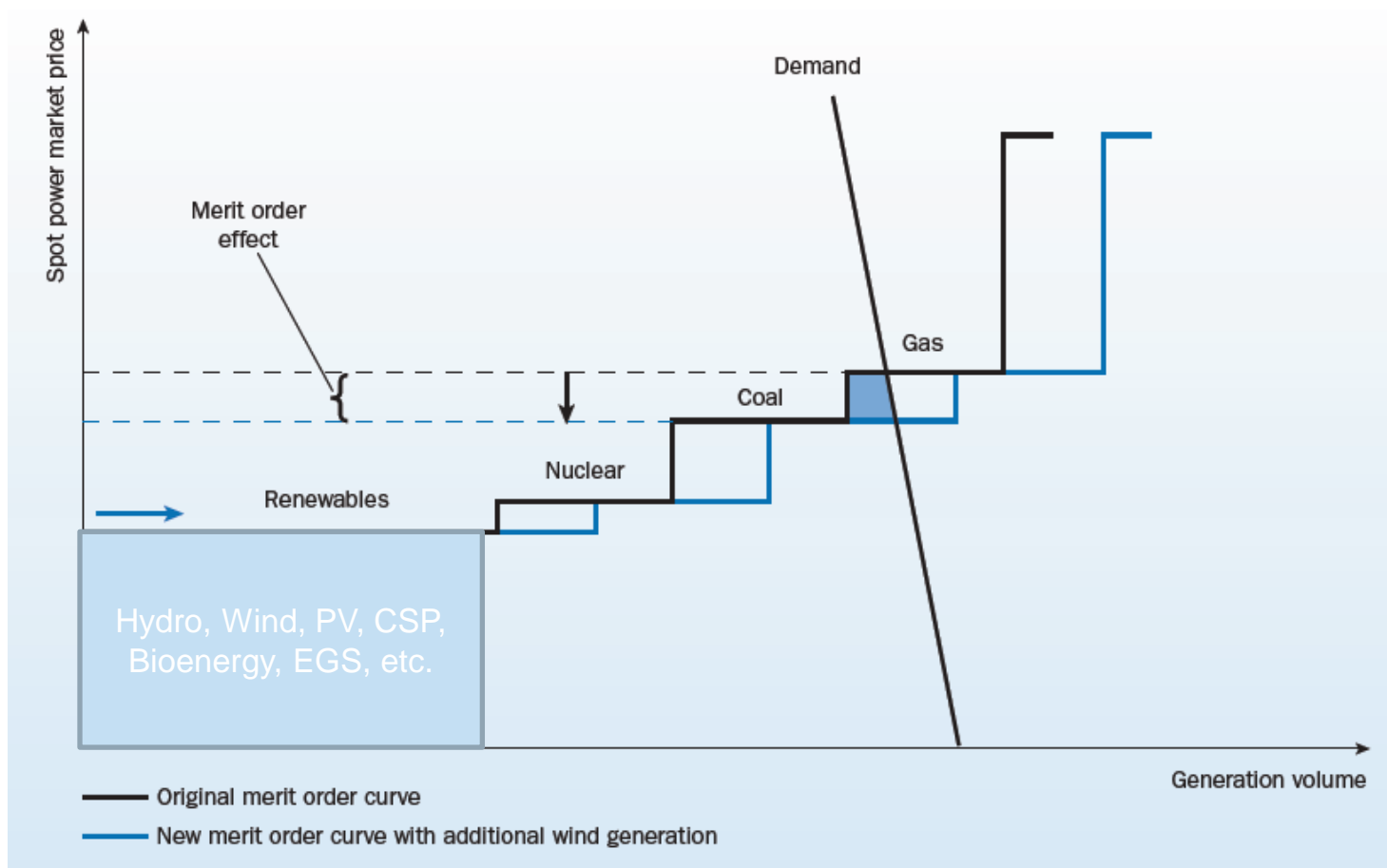


Source: EWEA





# Merit-Order-Effect

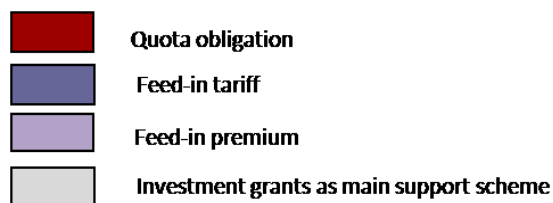




# Price impact

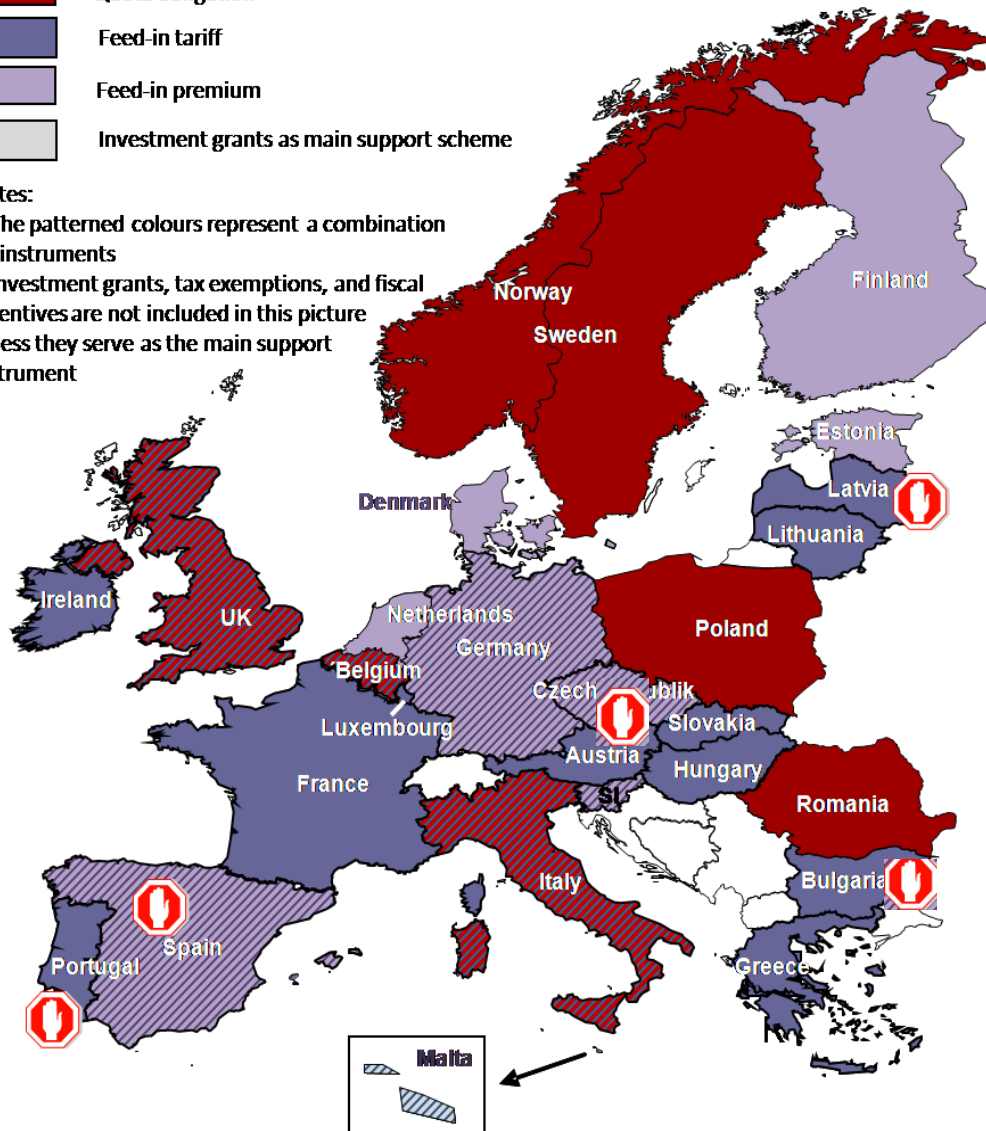
In Spain with an **increase of RES by 1 GWh**, electricity prices **decrease by about €2.**

=reduction of around 4% of the average daily price.

**Notes:**

1) The patterned colours represent a combination of instruments

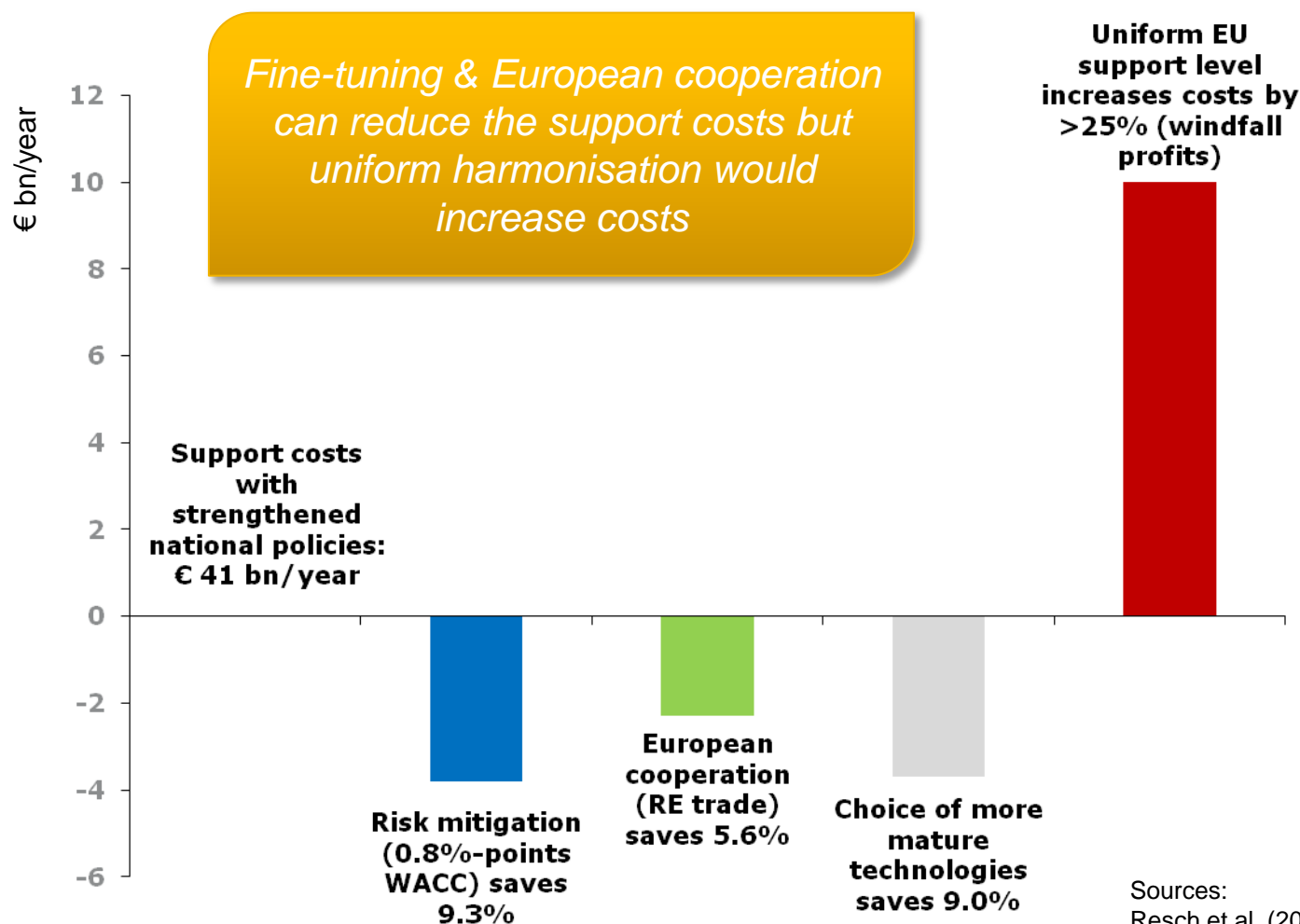
2) Investment grants, tax exemptions, and fiscal incentives are not included in this picture unless they serve as the main support instrument



Source:  
Ecofys based on  
Ragwitz et al. (2012). RE-  
Shaping  
Ecofys et al. (2012). RE  
progress and biofuels  
sustainability.

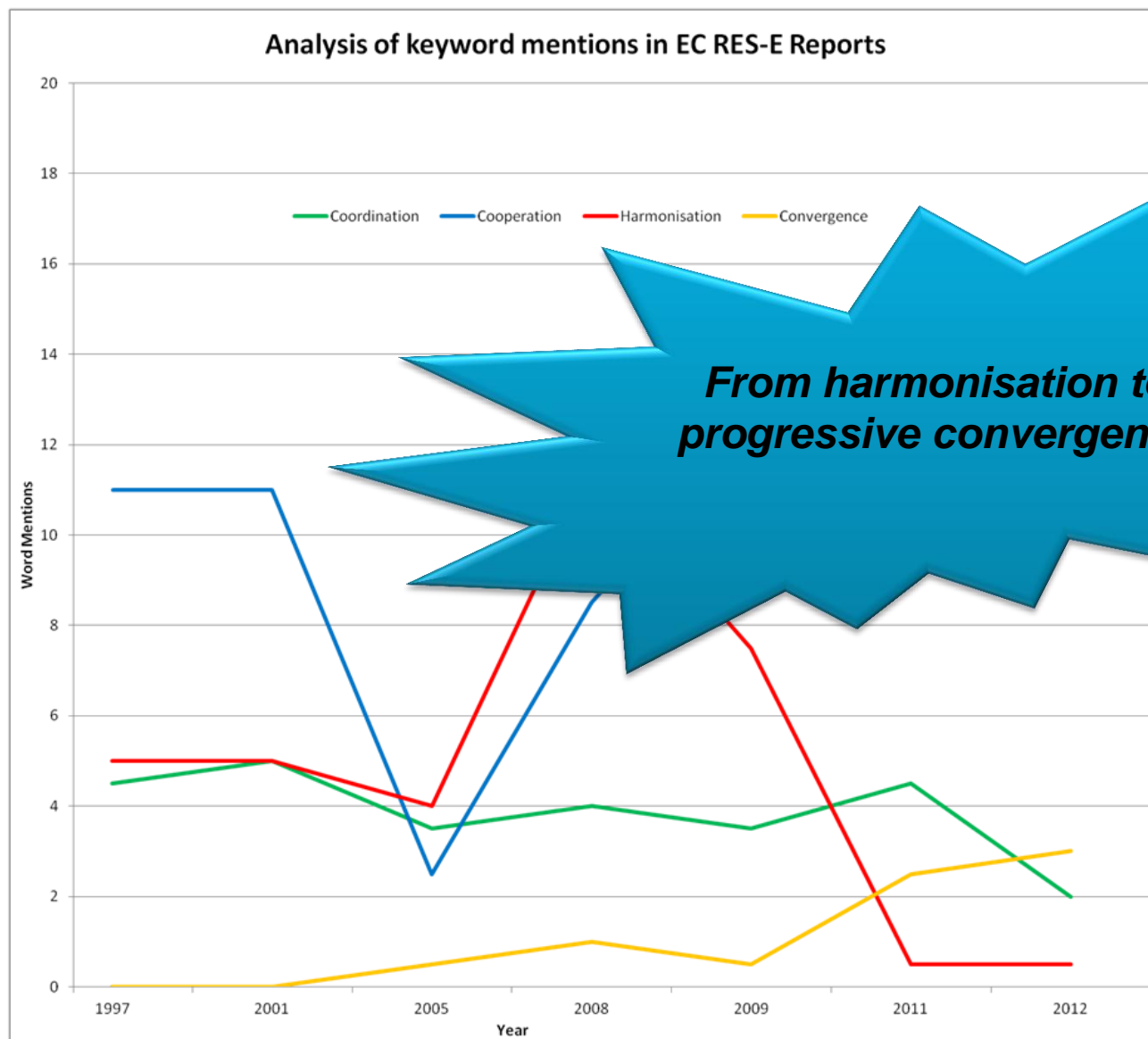


## Cooperation – Coordination – Harmonisation



Sources:  
Resch et al. (2009). futures-e.  
Ecofys et al. (2011). Financing RE in  
the European Energy Market.





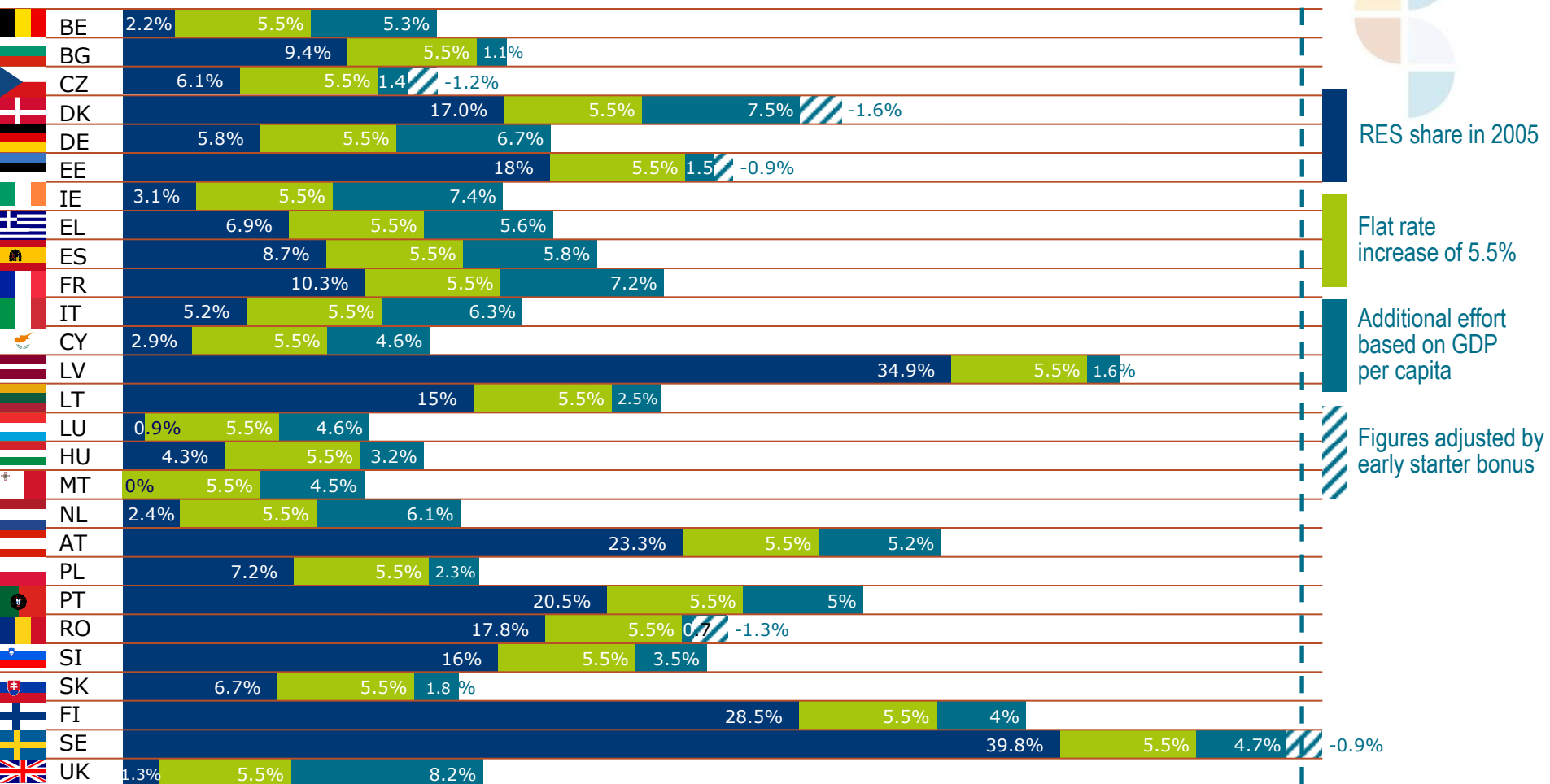


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## 20% by 2020 Target broken down by Member State



EU 50%  
cap



# Convergence: Harmonising Elements

 *Guiding principle:* Adapt to markets, technologies, segments

1. Harmonise IRR calculations
2. Harmonise technology cost calculation
  - Costs of capital
  - Administrative & grid connection costs
  - Irradiation or wind speeds (resource availability)
3. Harmonise support levels calculation
  - CAPEX & OPEX
  - Network access fees
  - Location
  - Decommissioning costs
4. Harmonise data reporting

No retrospective  
changes!!!



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# Phase out fossil fuel subsidies

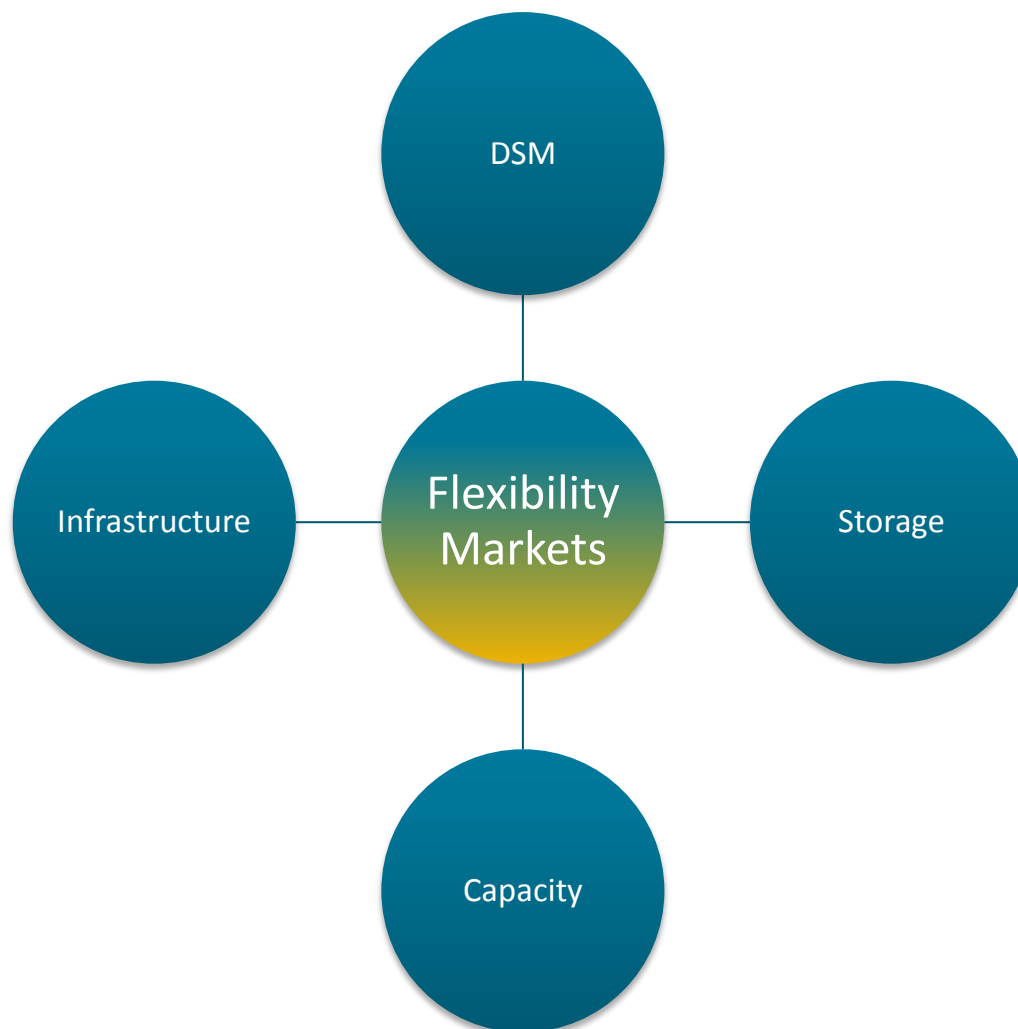
*"Fossil Fuel subsidies  
are the public enemy  
number one"*





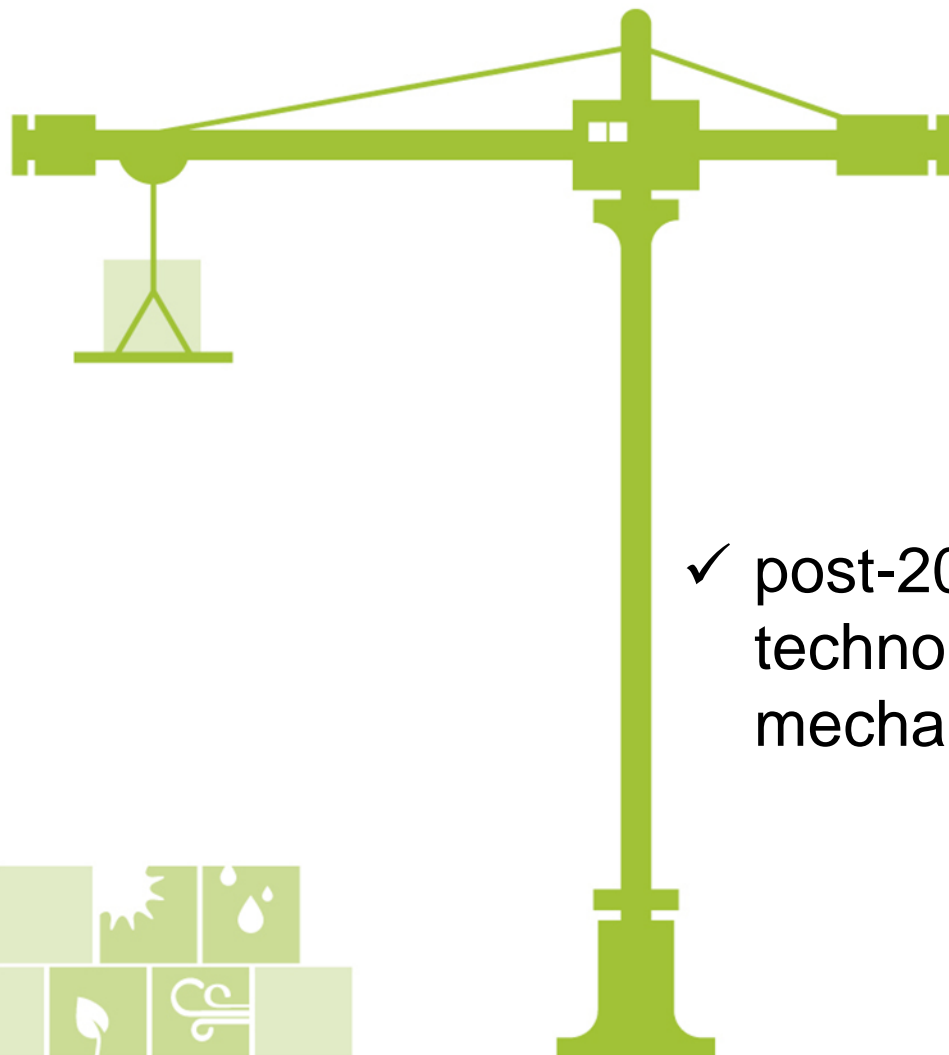


# Flexibility markets





# Reducing need for support mechanisms



- ✓ post-2020 increasing number of technologies not needing existing mechanisms



45 % by

2030

Towards a truly sustainable energy system in the EU

Hat-trick 2030

An integrated climate and energy framework



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**Mark your calendar!**

# EREC2013

European Renewable Energy Policy Conference

*Where the Industry meets Policy-makers*

Brussels, 28 November 2013

[www.erec.org](http://www.erec.org)

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THE EUROPEAN WIND ENERGY ASSOCIATION





EUROPEAN RENEWABLE  
ENERGY COUNCIL

Josche Muth  
[muth@erec.org](mailto:muth@erec.org)

[www.erec.org](http://www.erec.org)

