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EU capitals miss deadline for renewable action plans

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The vast majority of EU member states will deliver their national renewable energy action plans (NREAPs) late as only two had landed on the European Commission's desk by midday yesterday (30 June), the day of the deadline.

Background

The EU's Renewable Energy Directive set national targets for renewables in order to reach a 20% share in the EU's overall energy mix by 2020 (see EurActiv LinksDossier on '<u>EU renewable energy policy</u>').

To ensure that the goals are reached, the directive set "indicative trajectories" - intermediate targets - for each member state. Countries are obliged to draw up national renewable energy action plans by the end of June 2010, setting out measures on how they intend to keep up with their trajectories (<u>EurActiv 09/12/08</u>).

The directive also offers member states the option to use 'statistical transfers' to sell excess renewable credits to another country to contribute towards their targets. But they can only do this if they meet their own intermediate targets.

In January, six months ahead of the action plans, member states submitted to the European Commission forecast reports, estimating their potential excess production or demand for renewable sources in addition to domestic sources (<u>EurActiv 12/03/10</u>).

"So far we've only had track of two," said Philip Lowe, director-general for energy at the European Commission. He was speaking at an event in Brussels on the day by which EU member states had to submit by midnight their action plans outlining the specific actions they intend to take to meet their targets.

The national targets were set under the EU's Renewables Directive, which requires the EU as a whole to increase the share of renewables in its energy mix to 20% by 2020.

The two countries which had handed their plans to the EU executive were the Netherlands and Denmark, the energy department chief said.

Paul Magnette, Belgian minister for climate and energy, said his report was ready but still needed to be duly stamped by the four governments in Belgium. It would, however, arrive at the Commission by Monday morning, he insisted.

"This has probably been the first huge discussion about renewable energy in Belgium ever," Magnette said, stressing the importance of the exercise in bringing renewables to the fore. He said it had made the country re-evaluate the effectiveness of its support mechanisms for renewable energies.

Calls for reality check

Investment will now be necessary to bring down costs, despite the fact that budgets are under pressure due to the economic crisis, said Lowe. He reckons it will be increasingly difficult to continue to provide support for renewables in the form of feed-in tariffs, for instance.

"We have to invest for the future but the short-term prospects are rather difficult," the Commission official said.

The feasibility of meeting the goals in the current financial climate was repeatedly identified by participants as an issue. Some called for auctioning revenue from the EU emissions trading scheme to be used to fund renewables projects, while others suggested that this simply couldn't be done.

"When we talked about renewables targets, no-one mentioned the need for investment in generation or storage, so we were dreaming there," said Lowe. He added that there won't be increases in EU or national budgets, so the best way to meet targets is by regulation, "which forces the markets to behave in certain ways and that's what we'll have to do".

Another problem facing the EU will be how to meet the obligation to source 10% of transport fuels from renewables. Experts say that electric cars are unlikely to play a significant role before 2020, leaving biofuels to foot the bill.

"If we cannot count on some of the more ambitious figures, then we have to come face to face with whether we believe that biofuels are sustainable enough for us to use them," Lowe said.

Brussels is currently engulfed in a hot debate about indirect land-use change caused by energy crops when they displace food production, leading to forests being converted to farm land. The Commission is required to produce a report by the year's end to assess whether action needs to be taken to address the issue.

The magnitude of its impact is still uncertain, but many studies have suggested that indirect land-use change could release significant amounts of CO2 from carbon sinks, offsetting at least partially the emissions reductions biofuels achieve compared to fossil fuels.

Lowe argued that it would be wrong to generalise by claiming that all biomass is unsustainable. He said the Commission would take a look at the scientific evidence and take a decision at the end of the year.

Positions

The **European Renewable Energy Council** (EREC) said the plans should include clear targets that give the industry confidence to invest in renewable energies.

"In economically challenging times, Europe needs a strong future-oriented industry and

creation of new jobs. Now member states need to capture the economic, environmental and social benefits of developing renewable energy technologies nationally," said **Lucie Tesnière**, policy advisor at the EREC.

The industry association said it would be possible to reach at least a 20% share of renewables by 2020 domestically, rather than with imports, accruing benefits to European society.

Novozymes, the world's leading industrial enzyme producer, hoped that the action plans would include incentives for advanced biofuels, arguing that while the technology already exists, the sector needs "clear political signals" to start investment and production in Europe.

"Relying on agricultural and forestry residues and waste as feedstock, advanced biofuels can spur rural growth, promote job creation, increase energy security and emit up to 90% less CO2 than fossil fuels," said **Lars Christian Hansen**, Novozymes' president for Europe.

Dow Corning, a leading silicon supplier, argued that a number of challenges need to be overcome to make companies invest in the energy sector in Europe.

"As member states submit their plans, industry and government must work together to ensure that the right tax, policy and political frameworks are in place in both the medium and long-term to meet the targets," said **Eric Peeters**, global executive director of Dow Corning Solar.

Links

Business & Industry

• European Renewable Energy Council (EREC): <u>National Renewable Energy Action</u> Plans: Delivery starts (30 June 2010)

European Union

• European Commission: Renewable energy website