



Final Highlights

5th CA-RES3 Plenary Meeting

22nd – 23rd May 2019, Copenhagen



Core Theme 1: RES Electricity

Headline 1: Update and Q&A on New Provisions related to RES Electricity

On the 18th of December 2018, the Council, the European Parliament and the Commission reached an agreement on the revised Electricity Market Regulation and Directive. The Electricity Regulation will be directly applied in the Member States as of 1 January 2020, whereas the Electricity Directive will have to be implemented until the end of 2020. Both legal acts contain provisions with high relevance for RES electricity, in particular on priority dispatch, curtailment of RES electricity in case of redispatch, balancing responsibility, rules on energy communities and active customers.

During the 1st CT1 session, experts were provided with the opportunity for a first exchange on the interpretation and implementation of those new and modified provisions of the Electricity Market Regulation and Directive with regard to RES electricity, both among themselves and with Commission representatives. At the end of the session, participants came to the conclusion that the Electricity Regulation sets out a more harmonized EU legal framework on balancing responsibility, priority dispatch and curtailment of RES than the current Renewable Energy Directive. However, Member States still retain a certain degree of flexibility, for example with regard to different options for implementation or the use of derogations. With regard to the Electricity Directive, participants concluded that there is considerable overlap between the Electricity Directive and the RED II in areas related to active customers, energy sharing and renewable energy communities. Overall, participants concluded that an integrated approach is needed for the implementation of the Electricity Regulation, the Electricity Directive and the RED II with regard to RES electricity; and that closer exchange between Member States, as well as between Member States and the European Commission, is important to support such implementation.

Headline 2: Priority for Renewables in the Electricity Market

Article 16 of the current Renewable Energy Directive 2009/28/EC lays down the principle of priority dispatch for RES electricity. These rules have been considerably revised and have now been moved from the Renewable Energy Directive to the revised Electricity Market Regulation. Member States will have to adapt their current rules until 1 January 2020, the date on which the Electricity Market Regulation will become directly applicable.

The second CT1 session focused on exchanging information and highlighting best practices on priority dispatch and curtailment of RES in case of redispatch, as well as identifying challenges ahead for the implementation of the new rules in the revised Electricity Market Regulation. Two Member State presentations highlighted different experiences with priority dispatch and curtailment of RES in case of redispatch both under a central dispatch model and under a self-dispatch model. In smaller break-out groups, participants discussed changes in the national frameworks due to new rules on priority dispatch, thresholds for priority dispatch and incentives to voluntarily give up priority dispatch. Participants concluded that there is currently a divergent implementation of the concept of priority dispatch in the Member States. Consequently, some Member States might have to reduce the scope of priority dispatch and others might have to extend it. Moreover, participants concluded that the threshold of 400 kW was relatively high for Member States that have already achieved market integration of such RES plants, so that it could be advisable for such Member States to apply for a derogation.



Headline 3: The New Union Renewable Energy Financing Mechanism

The recast of the Renewable Energy Directive that entered into force on the 24th of December 2018 includes an EU-binding target for the share of energy from renewable sources in the European Union's gross final consumption of energy in 2030 of at least 32%. According to Article 3, the Commission shall support the high ambition of Member States through an enabling framework comprising the enhanced use of Union funds, in particular financial instruments, inter alia to reduce the cost of capital for RES projects and enhance regional cooperation between Member States.

The RED enabling framework is supported by an additional Union renewable energy financing mechanism established in Article 33 of the new Governance Regulation that also entered into force on the 24th of December 2018. The Commission shall establish the financing mechanism by January 2021 in order to serve two purposes: (1) to cover a gap to the Union RES trajectory to 2030 by tendering support for new RES projects in the Union, and (2) to contribute to the RED II enabling framework irrespectively of a gap by providing support in the form of low-interest loans, grants, or a mix of both.

A research project on behalf of the Commission was presented, which aims at outlining the general structure of the financing mechanism, developing principles for the allocation of costs and benefits, creating a robust framework for the design of support and designing a draft roadmap for practical implementation. After this input, participants discussed factors for increasing the attractiveness of the renewable energy financing mechanism and the relative importance of the gap-filling and enabling function. Participants concluded that in order to make the mechanism attractive, it is important to tailor it to the preferences of host and contributing Member States. Moreover, a balance is needed between the interests of host and contributing Member States, e.g. with regard to grid integration costs. Both the enabling and gap-filling functions of the mechanism were deemed to be important, and the open issue of sufficient funding of the enabling framework was highlighted in this regard.



Core Theme 2: RES Heat

Headline 1: RES in Buildings - Regulations and Other Measures

Buildings account for 40% of energy consumption in the EU, the Energy Performance of Buildings Directive (EPBD) is the EU's main legislative instrument to promote energy efficiency in buildings, yet currently the EU renovation rate is less than 1%. The RED II sets a renewable energy target for the EU of at least 32% by 2030. Both the RED II (Article 15 – previously Article 13) and the EPBD (Definition of Nearly Zero Energy Building (NZEB) and Article 2a) include legislation to ensure NZEBs and buildings undergoing major renovations integrate energy from on-site or nearby renewable energy sources. During the first two sessions of CT2, participating Member States provided an update on the status quo of implementation of Article 15 RED II (and Article 13 of RED).

Through the preliminary information collected through the Key Questions before the Plenary Meeting, participating experts came to the conclusion that building codes are not sufficient alone to help the integration of renewable energy sources in buildings. Currently, 35% of MS still need to include renewable energies in their building codes. Prosumers and energy communities could play a critical role in moving beyond NZEBs.

After an input of a representative from the CA EPBD, experts highlighted that closer collaboration is needed between CA EPBD and CA-RES to further exchange information on this issue. The second focus of the two sessions was on clarifying certain ambiguities in the RED II related to waste heat and cost-optimality. With input from DG ENERGY, participating Member States were able to better understand the new legislative revisions and thus support a more successful implementation of the RED and related legal texts.

Headline 2: Laying Future Foundations

From 2020, Article 23 RED II requires MS to increase the share of RE in the heating and cooling sector by an average 1.3% per year. This session facilitated an exchange of information between the participating MS on the main challenges - i.e. the need for harmonized national and EU calculation methodologies including waste heat, further clarity on the definition of renewable cooling as well as on how waste heat data will be monitored by Eurostat - for the transposition of provisions related to RES in the building sector. The participating experts highlighted the need to better understand the interlinkages between EED Article 7 and RED II Article 23.



Core Theme 3: Guarantees of Origin & Disclosure

Headline 1: Finding a Common understanding for Validity and Expiry in RED II

The revised Renewable Energy Directive (RED II) introduces separate notions of “validity” and “expiry” for Guarantees of Origin (GO). There are currently differing approaches in Member States related to expiry and validity, which hinder the harmonized effort across European Union Member States to improve available information on the origins of renewable energy sources. The importance of such a common understanding of the GO market was demonstrated through the example of a recent court case in The Netherlands as well as through a Member State presentation on the refusal of certain renewable energy imports. Participants discussed the similarities and differences of these two approaches in order to identify best practices and challenges for the future.

Headline 2: Improving National Energy Disclosure

Although GOs are currently governed by a directive, the concept of electricity disclosure is not very well covered under any legislation. Large differences across Member States can have a widespread impact across borders, and could even make the system of GOs less reliable. The 2nd session of CT3 focused on looking at the requirements and impacts of the current directives and of the Clean Energy Package to identify opportunities for better coordination through existing frameworks like the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) or the Association of Issuing Bodies (AIB).

Headline 3: Energy Labels

The third session of CT3 continued the discussions on labelling issues and best practices in the Member States that were initiated in the 4th Plenary Meeting in Vienna. During the last Plenary Meeting, it became apparent that most people had contending ideas of energy labels. The idea of this session was to hear the preliminary results of the Taskforce’s research into providing a common understanding of energy labels. Furthermore, the Taskforce prepared an inventory on the types of labels that exist in Europe (quality labels, commercial labels, commercial brands and independent ranking), while adding guidance as to how to improve the information provided in the label. Participants then used the opportunity to discuss how energy labels, possibly based on Guarantees of Origin or on energy disclosure, can enhance the energy markets.



Core Theme 4: Biomass Mobilisation and Sustainability

Headline 1: Interpretative Questions on Bioenergy Sustainability Criteria and GHG Emissions Saving Criteria (RED II - Articles 29/31)

During the first CT4 session, the Commission presented an overview of the new requirements for biomass sustainability, particularly Articles 29 and 31, included in the recast of the Renewable Energy Directive (RED II). The focus of the discussions within the 1st session was on criteria applied to biomass fuels produced from agricultural biomass or from forest biomass, as well as criteria on greenhouse gas emission saving from the use of biomass fuels. Participating Member States then used the opportunity to come up with a common understanding of the provisions in order to aid not only the implementation of the current Directive, but also of the RED II. Prior to the session, an initial inventory of questions from Member States on the interpretation of the new provisions in the RED II on biomass sustainability was made in order to support the discussions.

Headline 2: Implementation of the Bioenergy Sustainability Criteria by the MS (RED II - Article 30)

RED II introduces a framework for the verification of compliance with the sustainability and greenhouse gas emissions saving criteria including the use of voluntary certification schemes and/or the development of national schemes. This is already applied for the transport sector, but the concept remains quite new for the electricity and heat sectors in most Member States. As a result, the focus of this session was to exchange information on current practices in the different Member States that have already developed a sustainability governance system for biomass use for electricity and heat sectors and presenting two voluntary schemes, one experienced with RED I implementation for biofuels and a system for sustainable forest management, with interest in RED-recognition in the future. There are several issues to be incorporated into the voluntary schemes such as the fact that forestry supply chains differ from the agricultural supply chains and that the regional approach is more efficient and the possibility for Member States to add sustainability requirements for biomass fuels. Two Member State presentations provided insight into the experiences related to the development of a national sustainability scheme for biofuels and the advantages and (possible) disadvantages of extending the current scheme to also cover biomass fuels.

Headline 3: Biomass Reporting Obligations under the Governance Regulation

At the start of the session, the European Commission presented the draft versions of the INECs (Integrated National Energy and Climate Plans) submitted by the Member States at the end of 2018. The presentation helped give an overview of the state of play of biomass use and availability in Europe and the future expected developments for bioenergy. In the aftermath of the 4th Plenary Meeting in Vienna (November 2018), a Taskforce was formed to more closely examine current difficulties in biomass reporting. After a presentation of the preliminary results of the Taskforce, which summarized the lessons learned from the last Progress Reports of six Member States, participating experts discussed experiences and best practices with data collection on biomass availability and further work for the Task Force in close cooperation with EUROSTAT in order to improve reporting under the Governance Regulation.



Core Theme 5: RES in Transport

Headline 1: Progress towards 2020 Targets and Implementation of the Revised Renewable Energy Directive

In the first session, the European Commission provided an update on recent policy developments in relation to the revised Renewable Energy Directive (RED II). The presentation by DG ENERGY was followed by an in-depth discussion and question and answer session to reach a common understanding of the complex new provisions set out in RED II, in particular, targets and target calculation, fuel-specific questions, upcoming delegated acts and reviews and a joint EU database.

Headline 2: Renewable Electricity in Transport and the Concept of Additionality

The second session of CT5 explored whether and how mechanisms to promote biofuels can effectively support the electrification of transport as well. Presentations by two Member States and the California Air Resources Board illustrated different support mechanisms for renewable electricity and electrification in the transport sector, both as part of GHG-based schemes and a combination of different measures. Presenters also highlighted challenges that remain. After a lively discussion with the experts, the session concluded with a presentation by the Oeko-Institut on the concept of additionality and how approaches developed under the UNFCCC could be used to assess additionality in relation to renewable electricity in the transport sector.

Headline 3: Longer-term Strategic Considerations for Biofuels Policy and Use of Biofuels in Aviation and Maritime

The third session of CT5 focused on longer-term strategic considerations for biofuels policy beyond 2030. A representative from DG ENERGY gave a presentation on the EU 2050 Climate Plan with a focus on renewable energy in transport, followed by presentations from two participating countries on their policies to promote biofuels in the aviation and maritime sector. The participating experts discussed the use of biofuels in non-road sectors like aviation and maritime, including the impact on current support schemes and markets, with E4Tech presenting on a study which investigated how multipliers for aviation biofuels might impact on different biodiesel producers.

