



Final Highlights

6th CA-RES3 Plenary Meeting

27th - 28th November 2019, Brussels



Core Theme 1: RES Electricity

Headline 1: Experience with the Provisions on RES-E Support Schemes in the EEAG, Interactions with the New Requirements of the RED-II and Outlook to the State Aid Fitness Check (Part I)

The current State Aid Rules for Environmental Protection and Energy (EEAG) are due to expire by the end of 2020. The Commission intends to prolong them for two years, until end 2022, to provide predictability and legal certainty, whilst preparing for a possible future update. On 7 January 2019, the Commission has launched in line with the Commission's Better Regulation Guidelines the evaluation of the rules, which were adopted as part of the State aid modernisation. The evaluation takes the form of a “fitness check”. It aims to provide a basis for decisions, to be taken by the Commission in the future, about whether to further prolong or possibly update the rules. The session focused on the role played by the EEAG on the legal design of national RES support schemes and the interactions between Art. 4 RED II and the EEAG. Participants had the opportunity to share their experiences and provide input for the revision of the guidelines in 2022, while two Member States also presented the revision of their national support schemes.

Headline 2: Self-Consumption and Renewable Energy Communities (Focus on Electricity)

Community-driven energy projects have been part of the European energy landscape for years. Various types of community-based projects and initiatives have emerged with the aim of empowering energy consumers by having a direct stake in the production and consumption of distributed energy sources. The Clean Energy Package (CEP) formally introduced the concepts of citizen energy communities (CEC) (under the IEM Directive) and renewable energy communities (REC) (under the RED II) into European legislation for the first time. Given the diverse reality of (collective) self-consumption schemes and of existing models of energy communities, participating experts used this opportunity to discuss experiences with certain aspects of the new provisions, while shedding light on possible approaches to the implementation of the provisions on energy communities.

Headline 3: Experience with the Provisions on RES-E Support Schemes in the EEAG, Interactions with the New Requirements of the RED-II and Outlook to the State Aid Fitness Check (Part II) – Focus Topic: Cross-border Auctioning in RED II and EEAG, Presentation and Discussion of AURES II Cooperation Case Studies

The discussions on the Guidelines on State Aid for Environmental Protection and Energy 2014 – 2020 (EEAG) and the interactions with the design of national RES support schemes were continued during this session. The basic principles of support schemes to incentivise market integration and market-based mechanisms enshrined in the EEAG have now been taken over in the new RED II framework. Indeed, the RED II aims at establishing a common European framework for the promotion of energy from renewable sources and has to be transposed into national legislation by 30 June 2021. Besides setting a binding Union target of at least 32% for the overall share of RES in the Union's gross final consumption of energy, it now also lays down all the relevant rules for financial support of RES.

The session provided a deeper understanding of how the revision of the EEAG foreseen for 2022 will have to reflect the changes in the RED II. Furthermore, the session explored in which constellations the EEAG provisions will continue to have an impact on the design of national support schemes (specifically, cross-border auctions) and in which not. CT1 participants concluded that the financing



mechanism could become a regular instrument, thereby complementing bilateral cooperation mechanisms and statistical transfer. However, they pointed out that public acceptance is still an issue and that a good understanding and communication of the benefits is required. Though grid connection costs are an issue for a number of “host” countries, several countries are already looking into cross-border-auctions already with rather concrete plans.

Headline 4: EU Legal Framework for Renewable Power Plants without Financial Support - Priority Dispatch, Balancing Responsibility, Redispatch, Power Purchasing Agreements

The fourth session of CT1 provided an overview of the relevant provisions of the RED II and IEM framework for RES installations operating without financial support (end of support time or no support entitlement). Furthermore, it explored the applicability of provisions such as priority connection, priority dispatch, balancing responsibility, trading etc. to unsubsidised RES installations, while also addressing the role of PPAs (present or future) in the context of unsubsidised RES. The discussions during the session gave participants the opportunity to share their experiences with the treatment of unsubsidised RES installations in their national legislative framework as well as to jointly identify best practices. Two Member States presented their provisions for RES installations for which support time had ended and the challenges that they encountered. By the end of the session, participants came to the conclusion that for the EU legal framework governing the deployment of RES makes no distinction whether they are supported or not. Differentiation is rather based on existing vs. new, and small vs. large installations. In many Member States, this topic is still relatively new and it remains to be seen whether RES installations falling out of their support scheme will keep running.



Core Theme 2: RES Heat

Headline 1: Calculating Target Contributions from Energy Sources - Articles 7 & 23 & 24.4

In this session a dialogue was conducted between Member States, DG ENER and EUROSTAT on the limitations of and gaps in the current calculation tool with regards to the monitoring & reporting of RES shares required by the RED II. Member States were also informed about the update of the SHARES Tool meets MS monitoring and reporting needs and timeframes. The Joint Research Centre is actively working with DG ENER and EUROSTAT to develop methodology for renewable energy and waste heat and efficient heating and cooling. Preliminary results are expected in summer 2020. The methodology should be ready for the 2023 NECP; in the meantime, Member States can use their own definitions.

Headline 2: Prosumers and Renewable Communities (Focus on Heat)

Article 22 of the RED II introduces the concept of “renewable energy communities” acknowledging the important role of citizen participation in the energy transition. Citizen participation can help to increase local acceptance, and trigger the development of new, innovative business models such as crowdfunding or peer-to-peer energy trading. Renewable energy communities are entitled to produce, consume, store and sell renewable energy. Examples about the current status of legislation of participating countries to allow RES communities to participate in the market were presented. In addition, examples of instruments to support communities with the development of renewable energy communities, e.g. investment funds and were also highlighted. Participants came to the realization that there is already a lot of information & good practice on energy communities, not only for electricity, but also heating & cooling. Member States now have the upcoming challenge of nationally transposing Article 22 of RED II and creating an enabling framework for renewable energy communities.

Headline 3: Smart Financing RE in Buildings

Smart finance is a cross-cutting theme that is relevant in many of the Articles within the scope of CT2. This session facilitated knowledge sharing between participating Member States on how they are designing and financing measures to meet the H&C targets and objectives set out in RED II. A range of case studies illustrating different business models were presented, including results from the H2020 EuroPACE project, which develops instruments for affordable financing. Participants considered how the move to a smart, flexible energy system could impact the development of business models for renewable heating and cooling, for example through demand-side management and balancing services (working with aggregators on balancing services, virtual power plant approaches and systems incorporating RE generation, storage and heating/cooling and interaction of all the above with the growth of EVs and smart home technology). In conclusion, the discussions in CT2 showed that smart finance – or a blending public & private finance for a “holistic” package of measures that tackle the non-financial and financial barriers – is needed to further sustainability efforts in the EU. One of the main conclusions was that there was a clear need for an integrated approach between energy efficiency and renewable energy measures, as well as on the local and national level.



Core Theme 3: Guarantees of Origin & Disclosure

Headline 1: Differing Usages of GOs in the National Disclosure Figures and Statistics

During the first session of CT3, participants had the chance to discuss and address issues regarding energy disclosure, like usage across sectors, conversion of energy to another energy vector and risks of double counting. The idea of the first session was to have in-depth discussions on what measures could be implemented in order to make best use of GOs and the information they provide. Participants came to the conclusion that all claims towards consumers related to the consumption of RES (i.e. disclosure) should be backed with GOs, and that a physical boundary for GO trade and for disclosure would be preferable when designing approaches for non-electricity GOs (e.g. district heating network).

Headline 2: Non-electricity GOs - First Experiences, Similarities and Differences to Electricity GOs

The second session focused on an exchange of experiences in order to identify both similarities and differences to tackle the issue of non-electricity GOs, while trying to determine potential pitfalls when designing an integrated system of GOs for energy. It turned out that multiple stakeholders and (EU) projects are working on topics like biogas GOs and that opportunities for (future) collaborations exist. CT3 participants emphasized that it is the responsibility of Member States to ensure having both GOs and sustainability certificates does not lead to a situation where the same batch of renewable gas can be sold twice. A representative from the H2020 project REGATRACE also shared some lessons learned on the topic of non-electricity GOs.

Headline 3: Consumer Information

This session was used to improve understanding of innovative practices and generate ideas about reaching out to consumers in a better and more coherent way. A representative from EURELECTRIC helped participants widen their perspective on consumer information by presenting the case of renewable electricity usage in EVs. Participants came to the conclusion that the information whether the energy is renewable should be available at the point (and moment) of consumption. The charging company could pass this information on from the disclosure information it has received from its supplier. Beyond that, it remains unclear how GOs can be used to provide consumers more accurate / timely information.



Core Theme 4: Biomass Mobilisation and Sustainability

Headline 1: Guidance on the New Sustainability Criteria for Forest Biomass

During the first session of Core Theme 4, the discussions focused primarily on the European Commission guidance document in preparation on the implementation of the new risk-based sustainability criteria for forest biomass laid down in Article 29(6) - harvesting criteria and 29(7) - LULUCF criteria - of RED II. Preliminary results from the DG ENER technical assistance project (REDIIBIO) were presented. Hungary also presented its strategy on forest management as well as its sustainable criteria for forestry in order to guarantee long-term sustainability. The discussions were mainly based on the questions from the Member States collected through the questionnaire and the questions brought by the team in charge of the REDIIBIO project. The exchange of information between the participants and the REDIIBIO team was very useful. One of the main recommendations of the participants is to build on existing sustainable forest management systems which are already widely implemented across the EU.

Headline 2: Guidance on the New Sustainability Criteria for Agricultural Biomass

The second session had a similar format, but the focus was instead on discussing sustainability criteria for agricultural biomass, in particular on the European Commission guidance document in preparation for the implementation of the new sustainability criteria for agricultural biomass laid down in Article 29(2) for waste and residues and 29(3)(b) for highly bio-diverse forests. Biomass fuels produced from waste and residues derived from agricultural land are taken into account for the target achievement only where operators or national authorities have monitoring to address the impacts on soil quality and soil carbon and shall not be made from raw material obtained from land with a high biodiversity value. Results from the REDIIBIO project (see above) were presented and questions were addressed to the participants, including methodologies and tools to assess and demonstrate compliance with the sustainability criteria, to stimulate discussions with all CT4 participants. One of the main recommendations of the participants is to rely more on existing evidences from CAP and LULUCF regulations.

Headline 3: Verification of Compliance with the Sustainability Criteria

The discussions during the third CT4 session covered many topics related to verification of compliance especially for solid biomass for electricity and heat. The impact of the new sustainability criteria and the implementing issues were discussed. The European Commission provided clarification on many details of the sustainability and verification articles regarding the use of existing frameworks for sustainability and requirements for efficiency. Further, mass balance and the market risk of using non-sustainable biomass sources were discussed. The final results of the tasks force for reporting biomass for RED and Governance Regulation were presented.



Core Theme 5: RES in Transport

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

In the first session, CT5 participants were presented with key results from the CT5 survey, including on the progress made towards the 2020 target of 10% renewable energy in transport and policy updates from participating countries. This was followed by presentations from two participants on the introduction of higher blend ethanol (E10, E85) in their countries. As part of the session, the Commission provided an update on recent policy developments, in particular in relation to the revised Renewable Energy Directive (RED II) and responded to questions sent in by participants prior to the session. In the in-depth discussion which followed, participants were given the opportunity to seek clarification on some of the complex new provisions set out in RED II and to discuss the need for further harmonization and coordination.

Headline 2: Advanced Biofuels

The second session focussed on advanced biofuels and reviewed the progress of advanced projects to date, highlighting key challenges with regards to these projects. The session began with a presentation of the survey results – providing an update on projects in participating countries, feedstocks utilised and target expectations. This was followed by presentations from three external speakers who provided insights into existing technologies and their readiness level, different projects across Europe and the contribution that advanced biofuels can make to transport decarbonisation. Furthermore, external speakers presented ideas on what type of policy measures would be needed to promote advanced biofuel projects. The session concluded with group discussions on experiences in this policy area to discuss successes and failures. The participants of CT5 also had time to discuss innovative policy solutions to de-risk existing challenges.

Headline 3: Sustainability Governance

The third session was divided into two sub-topics, namely RED II and sustainability governance, and sustainability and fraud challenges. The first part of the session focused on updated sustainability requirements for transport fuels under the REDII and the requirement for Member States to monitor certifying bodies. The session included a presentation from a voluntary scheme representative providing insight into some of the implications and challenges that they expect to face as part of the transition to the REDII provisions. This was followed by a Member State presentation setting out how they currently supervise their certification bodies. In the second part of the session, a Member State provided an update on a recent fraud case and measures under consideration to strengthen fraud prevention. This was followed by presentations from an industry representative and a voluntary scheme on their respective proposals to address such fraud challenges.



DG ENER Session

Headline: Connecting Europe Facility – The New Window on Cross-border Renewables Projects

The Commission informed the CA-RES community about the new funding opportunity for cross-border renewables within the Connecting Europe Facility. The Commission also used the occasion to update on the current thinking on the delegated act on identification criteria and process for such projects that is to supplement the CEF Regulation. The new window aims to support Member States in their efforts to contribute to the EU binding RES target through cooperation, hence ensuring cost effective deployment of renewables in Europe. One MS presented their project ideas for cooperation. The concept of cross-border projects in renewables as defined in CEF is based on the four cooperation mechanisms established under the revised Renewables Directive 2018/2001/EC: Statistical transfers (Art. 8), joint projects between Member States (Art. 9 and 10), joint projects with 3rd countries (Art 11 and 12) and joint support schemes (Art. 13 RED). Eligible projects comprise renewable electricity, heating & cooling, transport and their grid connection, district heating, storage facilities. A pre-condition for CEF support is to obtain the status of cross-border project in the field of renewable energy and featuring on the list of eligible cross-border projects in the field of renewable energy, to be set up by the Commission.

