

Highlights CT1

Governance, target achievement and cooperation

1st CA-RES IV Plenary Meeting

17th -18th November 2021

Session 2: Governance: integrated planning and reporting and the mechanisms for EU RES target achievement

The session took stock of **the status quo of the RES target achievement mechanisms** of the Governance Regulation including **the different instruments**. The participants discussed **the extent to which the existing set of rules is adequate for the increased ambition levels and which elements may deserve further attention**.

The European Commission presented the obligations contained in the Governance regulation (EU) 2018/1999 for Member States to develop integrated planning and progress reporting and also defines the mechanisms by which various Energy Union targets will be achieved, including the RES target as part of the decarbonization dimension.

Key element of these mechanisms are the National Energy and Climate Plans (NECPs), where MS set out their objectives along the five dimensions of the Energy Union, including planned contributions to the EU RES target of (currently) at least 32% by 2030 as well as the measures to achieve these contributions.

With a view to a possible review of the Governance regulation, the Commission highlighted the following areas that might require an update:

- RES-Target: moving from at least 32% to at least 40% in 2030,
- Amendments of Article 2 and 4 (changes via Article 2 of the Commission proposal for amendment of RED II, COM/2021/557),
- Reporting obligations,
- New obligations/ extension of existing obligations introduced in many acts of the EGD legislative package,
- Links to Article 9 (7a) of the Commission proposal for amendment of RED II: Joint projects between MS, cooperation to define the amount of offshore RES 2030/2040/2050 to be notified with the NECP update,
- The gap-filling mechanism in particular with a view of measures to fill the delivery gap.

The review is currently foreseen in 2024 but might be advanced in light of the European Green Deal package. The Commission further clarified that it may issue guidance on the upcoming updates of the NECPs due in 2023 and 2024 in line with the legislative proposals made. Such guidance would be welcomed by Member States.

In the discussions, as a key challenge for the EU 2030 RES target achievement approach the potential time lag was identified, which occurs between the initial planning and the final point in time of closing potential gaps, given the time lag of approximately 2 years until official data becomes available, in addition to the combined lead times to design and implement RES policies and to develop and realise RES projects.

Furthermore, Luxembourg presented on its national approach to ensure 2020 RES target achievement including by means of cooperation projects with other EU Member States involving statistical transfers, and also explained the structure and overall strategy of its current NECP with a particular focus on renewable energy.

Session 8: Regional Cooperation: Policy instruments as tools for keeping the 2020 targets as baseline and achieving the trajectory to 2030 (e.g. new Union Renewable Development Platform and the RES Financing Mechanism) and Offshore RES cooperation (esp. regional 2050-targets, EC guidance)

The session focused on the importance of regional cooperation for achieving the increasing 2030 targets and the EU instruments available for this purpose. It showed that a lot is currently happening between Member States, but also on the Commission side.

This session provided an overview of existing EU policy instruments through a presentation by the European Commission and included an expert presentation by Guidehouse on the different types of cooperation offered by the Renewable Energy Directive (RED) to see how they fit with EU policy instruments. Furthermore, Estonia and Denmark provided broad insights into their practical experiences with cross-border cooperation.

The **European Commission explained the different EU policy instruments** (in particular the Union Renewables Development Platform (URDP), the EU Renewable Energy Financing Mechanism (REFM) and the Connecting Europe Facility- Cross-border Renewable Energy Projects (CEF-RES)). The URDP facilitates the conclusion of statistical transfers between Member States. The platform provides information on available volumes of statistics, has a matchmaking mechanism and offers guidance. However, this is only available to MS-designated users. The REFM is a tool to implement competitive EU-wide tenders in support of new renewable energy projects. The CEF-RES – an instrument to support RE projects that are launched through a cooperation agreement and have a net socio-economic benefit – includes grants for preparatory studies, for technical studies, and for works. The discussion revealed that these grants can be combined. Therefore, several grants can be awarded for the same project.

The European Commission also presented what is to come in 2022, this includes esp.:

- **CEF-RES:** The deadline for the call for proposals for preparatory studies has been extended. The new deadline is 1.02.2022; The call for applications to the list of cross-border projects will come in Q1 2022, and the call for proposals for technical studies and works in Q4 2022.
- **REFM:** Yearly call on Member States to express interest in Q4 2021; expression of interest by Member States to participate in a call, either as host or contributing country (Q1 2022); and based on the MS interest, EC designs the main elements of the call, CINEA will implement the call for proposals (Q3 2022)

Guidehouse gave a presentation on “**Renewables cooperation in practice: How to implement a cross-border project until 2025?**”. The expert presented the main approaches to cross-border cooperation. He showed that the goal of cooperation can be related to the basic types of cooperation. For example, while statistical transfers aim at short-term solutions to increase the share of renewable energy, large-scale projects aim more at infrastructure cooperation, energy security, innovation and better use of RES potential. The same applies to the most important aspects that need to be defined for setting up a cooperation project. As the complexity of the cooperation increases, so does the number of aspects that need to be considered. However, in terms of existing EU instruments, the presentation showed that each type of cooperation is suitable for different EU instruments.

Member States are increasingly recognizing the opportunities in cross-border approaches for renewable energy development, which is why the number of cross-border cooperation has increased recently. Denmark and Estonia already have extensive **experience** with different types of cooperation. Already in 2016, Denmark has conducted an open tender for PV plants together with Germany. In the meantime, Denmark has also conducted a statistical transfer with Ireland and the Netherlands, and numerous discussions are currently taking place in the area of offshore cooperation. Estonia has also already conducted a statistical transfer with Luxembourg and Ireland. In addition, there is a Memorandum of Understanding with Latvia for a joint offshore project. The experience in Luxembourg has shown that due to the time gap in the delivery of correct figures by Eurostat, one of the main challenges is to identify the surplus for the calculations. This will be one of the problems to be solved in the future. In addition, the discussion showed that, among other things, the price, the purpose, the large number of departments involved, and the agreement are important issues that need to be addressed when setting up a cross-border project.