

INFORSE-EUROPE

International Network for Sustainable Energy - Europe

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INFORSE-Europe Opinion on Renewable Energy Support in the EU

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The EU countries have agreed to work for the target that 20% of Europe's total energy use should come from renewable energy by 2020. If implemented, this will stimulate evolution of the whole energy sector towards more sustainable solutions.

It is essential for the success of this that the support mechanisms for renewable energy are effective and that they lead to development of renewable energy in all 27 EU countries. The experience with the success of the German windpower and solar energy use shows that even countries with less favourable weather conditions for renewable energy can successfully develop their renewable energy sector. The key is a support system that provides long-term investment security such as the feed-in regulation for renewable electricity.

To reach the 20% target it is important to set national targets for renewable electricity, heating and cooling as well as for renewable transportation. The targets should be minimum targets and should be followed by interim targets or minimum trends of increase, such as 1% increase per year. The countries should also consider the possibility of revising the targets upwards. A 25% target for 2020 is better in line with a sustainable development than a 20% target and is therefore promoted by INFORSE-Europe as well as by the European Parliament.

Renewable Electricity

The only support schemes that have shown to be effective for renewable electricity is the feed-in systems successfully developed in Germany and Spain. They should be strengthened and similar systems should be encouraged in other countries. At the same time, legally binding national targets and favourable rules on grid access conditions and administrative procedures should encourage the development.

The European Commission and some EU countries are working on proposals to introduce a European-wide support mechanism for renewable electricity with trade-able renewable energy certificates. Experience has shown that this is a less efficient and more costly way of supporting renewable energy. It gives less development of renewable energy because it gives less security for the price that the renewable energy producers will receive. This in particular reduces the interest from small investors that have been key to the success of renewable energy developments in Germany and in other countries such as Denmark and Austria. It also tends to give higher prices as investors need larger profit margins because of the price-uncertainty. The proposal includes EU-wide trading which can give an unbalanced development of renewable energy in the EU as some countries can avoid domestic action and instead buy themselves out of their responsibility. The trading throughout the EU (and maybe beyond?) also run the risk of periods with lack of certificates that will lead to high prices, leading to high costs for consumers and windfall profits for some producers with low production costs. Therefore INFORSE-Europe urges the European Commission and the EU countries to skip the plans for trade-able renewable certificates and instead work for advanced feed-in tariff systems as in Germany and Spain.

Renewable Heating and Cooling

The EU will not reach the 20% renewable energy target without sufficient focus on renewable heating and cooling that must be supported similarly to renewable electricity. Policies to promote renewable heating and cooling must be sufficient to realise the targets and must match the many small heating systems that exist, e.g. in individual houses, as well as larger systems with district heating and for industrial processes. As a set of general policies for promotion of renewable heating and cooling that will be important for all EU countries INFORSE-Europe proposes:

- Awareness raising campaigns targeted to the potential users as well as training of heating professionals, including designers and architects
- Consumer information with independent information, targeted to heat users that are about to change or renovate their heating systems
- Financial incentives with investments subsidies for introduction of renewable heating and cooling in new sectors and with new technologies,
- Loans and loan guarantees for renewable heating and cooling,
- Obligations to cover a minimal share of the heat demand from renewables and to integrate passive heating and cooling designs in new buildings and those undergoing major renovation, as part of building regulations.
- Preference over fossil-fuel based heating, including in district heating. This must include feed-in systems as for renewable electricity.
- Demonstration projects for innovative applications less close to competitiveness, like renewable cooling and solar process heat
- Continued research and development to improve technologies, solutions and integration into buildings and energy systems

The support schemes for renewable heat should be limited to heat production where inputs of fossil energy and electricity together are less than 20% of the heat produced. It should also be limited to sustainable use of biomass.

For some countries other measures should supplement above list:

- In countries with cooling demands are needed specific, stronger incentives to promote renewable cooling, as it is at an earlier stage of market development than most heating applications
- In countries that receive structural funds the must be increased use of this funding for renewable heating and cooling, as well as for other renewables. Strategies to achieve this must be implemented.

Renewable Transport

Renewable Energy in transport is the third pillar for the development of renewable energy in Europe, even though it is less important to reach a 20-25% target in 2020 than the electricity and heating/cooling sectors. INFORSE-Europe proposes that the current 10% biofuels target is replaced with a 10% sustainable transportation with increased focus on electric and hydrogen driven transportation as well as measures to reduce transport demand and promote more efficient modes of transport, such as electric trains. Given current, large problems with sustainability of biofuels INFORSE-Europe also proposes a moratorium on support and import of biofuels from large-scale monocultures (agrofuels). This must be in place until the most urgent sustainability problems of agrofuel developments are solved, such as the destruction of rainforest in Indonesia and Brazil that pushes these countries to the top of the list of world greenhouse gas emitters, and the many social problems related to expanded agrofuel use.

Renewable Gas

To supplement the promotion of renewable electricity, heating/cooling and transport, renewable-based gas production must enjoy the same rights to feed into gas networks at a fair price that renewable electricity production do.

Stop of subsidies for fossil fuel and nuclear energy

All subsidies and tax preferences for fossil fuels and nuclear energy over renewable energy must be ended. This includes ending lower VAT on fossil fuels than on renewable energy equipment and fuels.

Sustainability of Biomass

Promotion of renewable energy must be followed by criteria for sustainable use of renewable energy. There is a specific need to address sustainability issues of biomass for energy, including biofuels. In addition to the moratorium of support and import of agrofuels, INFORSE-Europe proposes the following measures for sustainability of biomass in the EU:

- Support schemes for biomass should be limited to biomass that is produced in sustainable ways
- For biomass heating equipment should be introduced progressive standards and labelling systems for energy efficiency and air pollution. The standards should be strengthened every 5 years. Countries with high use of biomass should be allowed to introduce higher standards to avoid local air pollution problems in areas with large biomass combustion. This should be followed by regular inspection of air pollution as part of mandatory safety checks of boilers and ovens with visual inspection of chimney.
- For all biomass use, efficient use must be promoted, and inefficient use excluded from support and targets. An example of a inefficient use to be excluded is large-scale biomass fuelled power production with low efficiency power plants without use of the heat produced.

More information about INFORSE-Europe positions on EU policy at www.inforse.org/europe or with contact to Gunnar Boye Olesen, ph+45-86227000.