Focussed RES-H policies – the Solar Thermal example

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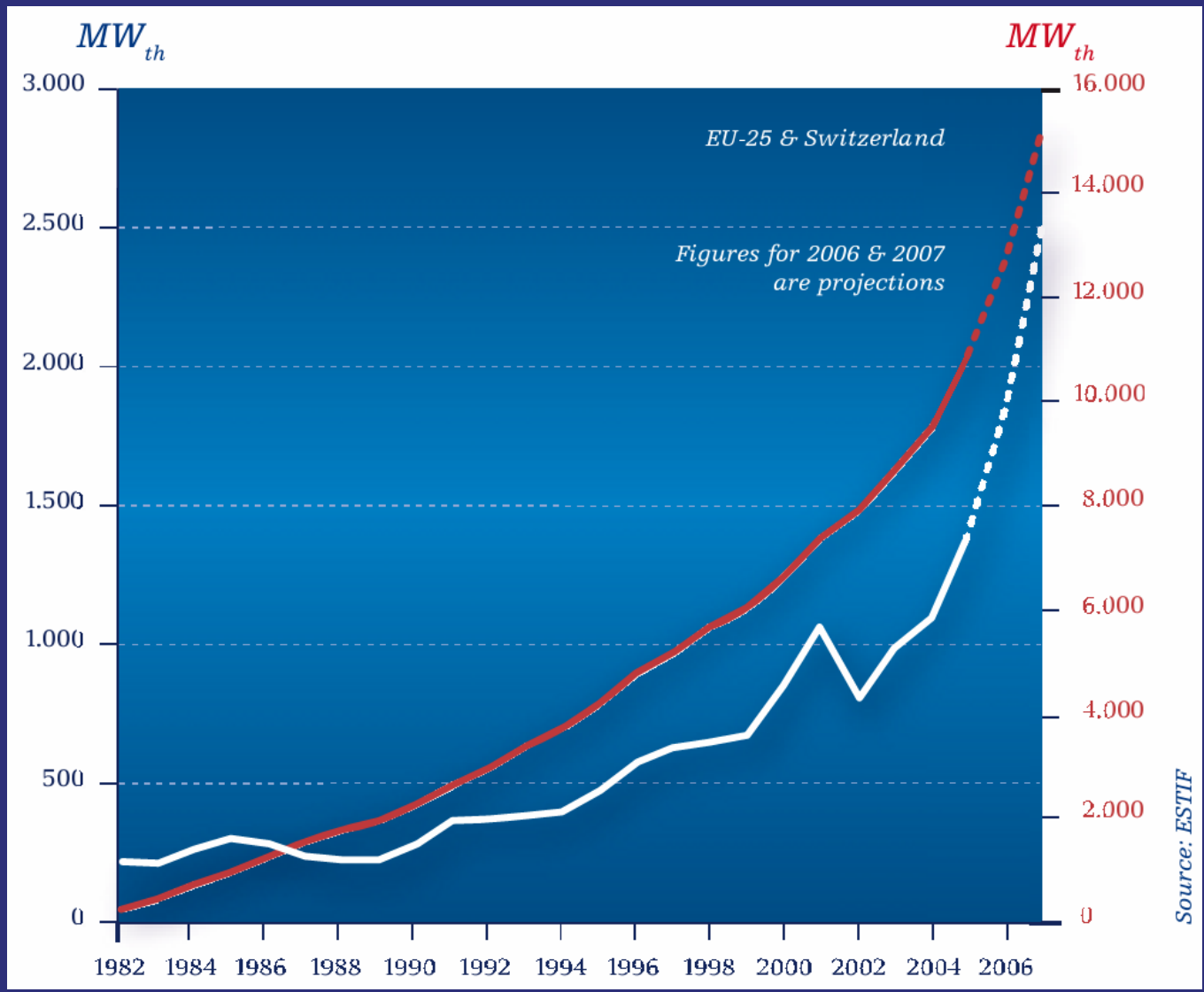
European Sustainable Energy Policy Seminar
March 20, 2007, Brussels
Organised by INFORSE, EUFORES, EREF
www.inforse.org/europe/seminar07_BXL.htm

Let me introduce ESTIF

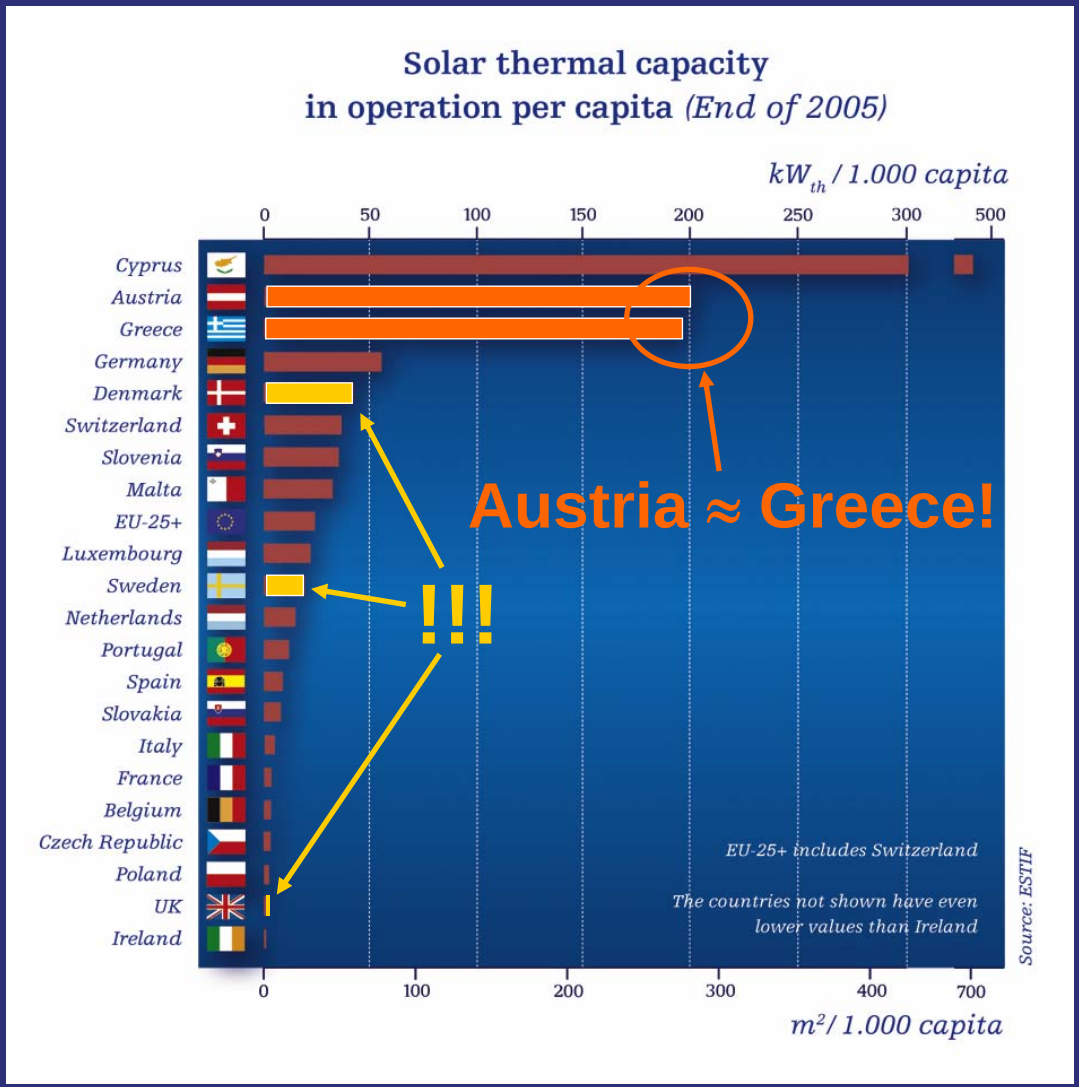
- European Solar Thermal Industry Federation
- Representing the solar heating and cooling sector at EU level
- 90 members, representing >95% of the market
- A founding member of EREC
- Based in the Renewable Energy House, Brussels

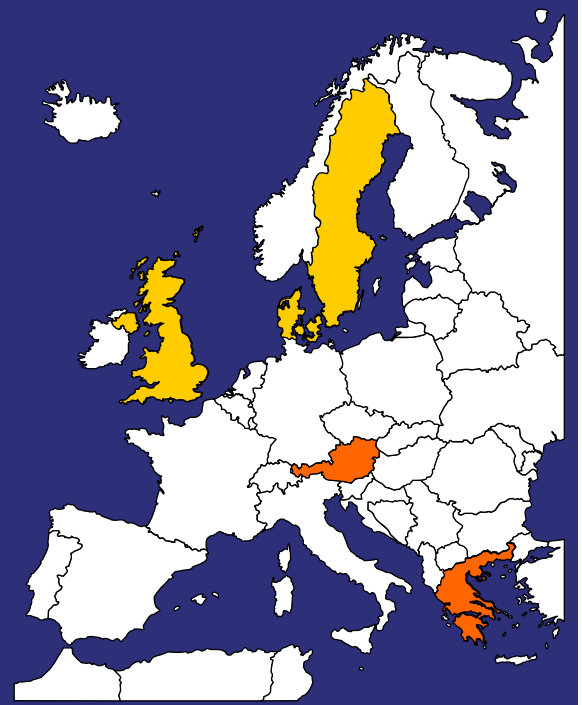
www.estif.org

Nice market growth in the past decades!?

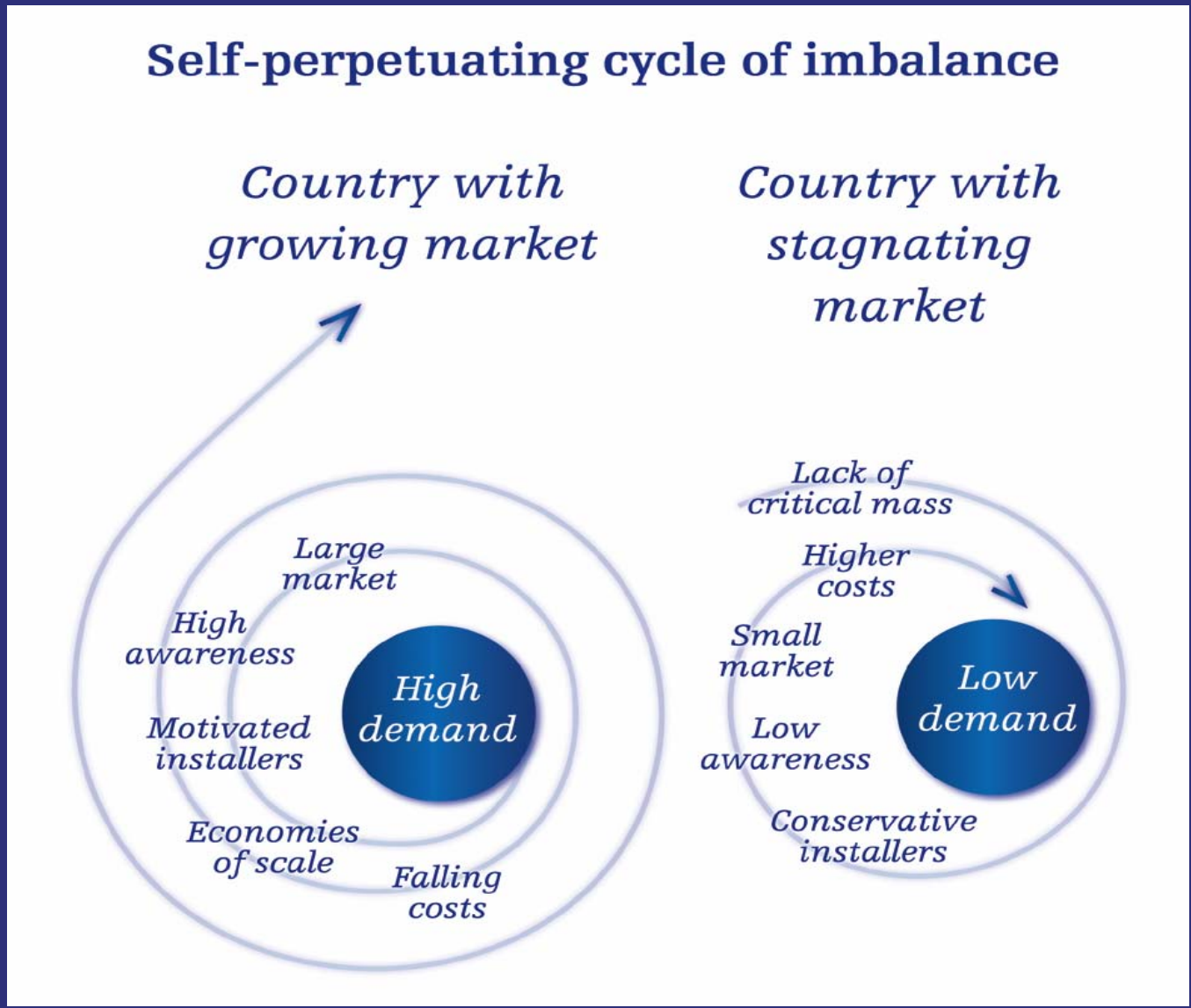


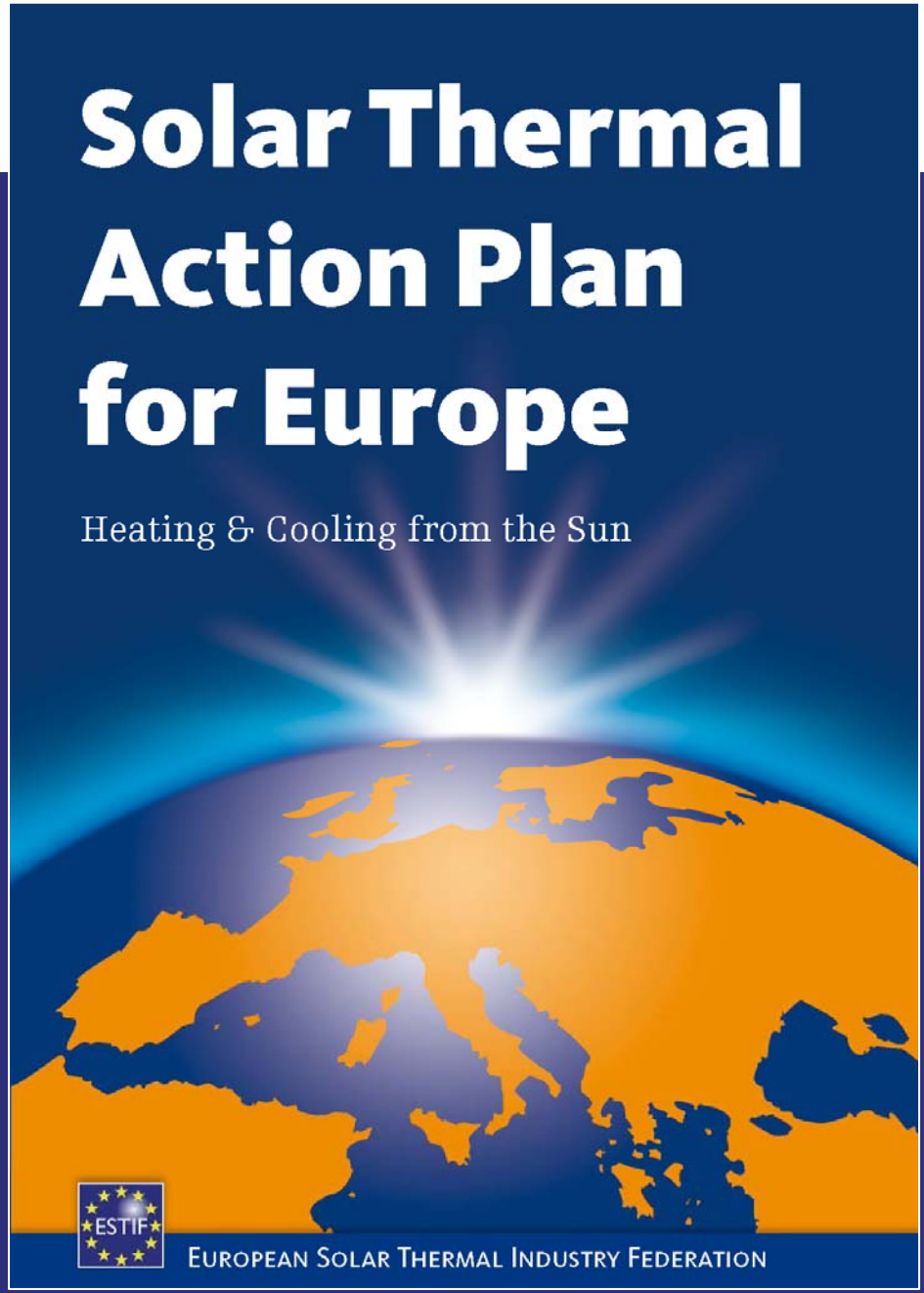
But: Huge discrepancies in the EU – for two decades already





Critical mass of the market needed





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Policy matters

- Support policies have played a major role in all key national markets
- When critical mass is reached, political support can be gradually reduced
- A coherent support strategy:
  - addresses not one but several barriers to growth
  - is oriented towards reaching a longer-term target
  - avoids stop & go
  - provides stable, positive framework conditions

A coherent support strategy consists of...

Targets for solar thermal: why and how

Why

- Signal to investors (from plumbers to banks)
- Benchmark for success of policies
- Help avoid short-term actions, stop-&-go
- To provide vision to mobilise political and human energies at national and local level

How

- The target should be ambitious and realistic!
- Ideally: Bottom-up approach based on detailed potential studies
- But: Detailed study should not postpone action now!
- First solution: simple approach based on per-capita capacities

Solar thermal targets for EU-25 in 2020

	Capacity in operation absolute (GW_{th})	Capacity in operation per capita (kW_{th} / 1.000)	Energy produced (toe)
1990	2,2	5	137.897
2005	11,2	24	686.493
2020 minimal target	91	199	5.600.000
2020 ambitious target	320	700	19.650.000
Long term potential	1.200	2.600	73.100.000

Solar regulations for new buildings

- The long term begins today:
  Future new buildings to last until end of 21st century

- Building codes should require the use of solar thermal in new buildings and those undergoing major refurbishment

- Growing experience in Europe:
  - Spain (municipal since 1999 & national in 2006)
  - Portugal: approved, but not yet in force
  - Germany, Italy, UK: trend at local level

- Experience in Israel since 1980

Advantages of solar regulations

- a very effective instrument (if well implemented)
- Solar is cheaper if installed at construction stage
- Solar obligation solves the tenant-owner dilemma
- Minimal impact on public budgets
- Encourage solar also in the non-obliged sector
- Avoids stop-&-go market dynamics, thus creating a good investment climate

Guidelines for best practice regulations

- Technical and design requirements should not be overly detailed, to avoid hampering technological development and causing excessive costs
- Any product requirement should be based on European Standards and certification, to avoid creating barriers to trade
- Quality assurance clauses should be introduced and randomly checked, to avoid unmotivated owners installing the cheapest low quality products

Financial Incentives Schemes (FIS)

Examples

- Direct grants for investments into new capacity (e.g. German Market Incentive Programme)
- Tax reductions (e.g. on income tax like in France, or on property tax, VAT)
- Low- or no-interest loans
- Tradeable certificates (e.g. Australian RECs system)

- Can be combined with obligation on new building
- Reduce impact of investment cost

Guidelines for best practice FIS

- Continuity over several years
- Availability of sufficient funds to avoid stop-&-go
- Easy and lean administrative procedures
- Product requirements should be fully compatible with EUstandards and certification procedures
- Quality criteria in line with local situation
- The financial benefit offered should be related to the energy provided, but avoiding excessive costs for measurement

Focused policies for new applications

Solar cooling and process heat have a huge potential, but are not mature technologies yet

- Specific awareness raising for potential users
- Widespread demonstration projects
- Dedicated financial incentives
- Basic and applied research
- Funds for developing planning guidelines and tools
- Solar cooling to be considered for energy certificates of buildings

Flanking measures

Again: Most effective support strategies consist of coherent set of measures addressing several barriers to growth

Financial incentives and solar obligations benefit from flanking measures:

- awareness raising
- training of professionals
- funding for R&D
- public demonstration projects
- development of standards and certification

For more information:

www.estif.org