# INFORSE-Europe comments to EU Renewable Energy Road Map, COM(2006)0848

March 30, 2007

**Comments to the introduction and historical analysis (par. 1-2)**
The communication states in the introduction that the EU can reduce fossil fuel with 250 Mtoe (1000 PJ) until 2020 at a cost of 10-18 bill €/year (20% of primary energy supply). While this would be an acceptable cost, the analysis (par. 4.3) shows that with a moderately high oil price (78$/barrel) and a $CO_2$-price of 25 €/ton, the costs for the society are close to zero, while there are numerous benefits in the form of increased employment, a better trade balance of the EU with less oil imports, increased incomes in a number of rural areas, and a more sustainable energy sector for the future after 2020. The costs are dependant of choices of renewable energy, and given that more than half the costs comes from expansion of biofuel use[1], if less biofuel is included[2] and more solid biomass, the costs can be expected to be lower.

Even though the growth of RES-H until now is much too small, compared with the cost-effective potential, the progress achieved is similar to the growth of RES-E in absolute terms. Both have achieved growth of about 400 PJ (10 Mtoe) in the period 1992-2004.

The growth of renewable electricity to 19% of total electricity demand (for the 15 old EU countries), or more if some countries do a last effort, must be seen as a success even though the target of 21% might not be reached. Unfortunately the success is unevenly spread among member-states and to reach higher levels of success, the good practice of the most successful promotion national programs should inspire the countries with slower development to improve their renewable energy programmes.

Regarding biomass heating (described in par. 2.3) there has been a large development of European production capacity and quality of efficient and high-quality wood boilers with production in more and more countries, and improved products and manufacturing facilities. This gives a good basis for the necessary transition from old biomass installations with higher losses and less user-friendly operation (this is not recognised in the analysis in par. 2.3).

In spite of undeniable progress for renewable energy in some sectors and some countries, the overall development is far from adequate to reach the climate target of 8% reduction of greenhouse gases for the 15 ”old” EU-countries that share this target, in particular because progress in energy efficiency has been lower than in renewable energy. The lessons are that we need better policies, agreed and implemented timely, and higher public awareness to involve many more in reaching the new targets for renewable energy and energy efficiency.

**Comments to the proposed key principles for a future renewable energy policy framework (par. 3.1, comments in bold):**
– *”be based on long term mandatory targets and stability of the policy framework,”* **Agree**
– *”include increased flexibility in target setting across sectors,”* **National action plans should include sector specific targets**
– *”be comprehensive, notably encompassing heating and cooling, ”***Agree**
– *”provide for continued efforts to remove unwarranted barriers to renewable energies deployment,”* **Agree**

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1 According to COM(2006)845, the costs of 18 billion € that the 20% target will cost at an oil price of 48$, 11.5-17.2 bill € is the costs of biofuels, but the extra costs are considerably lower with

2 In the communicatyion is expected 14% biofuels in transport fuel by 2020

– *"take into consideration environmental and social aspects,"* **This must include integration of environmental and social costs of energy in policy making and decisions regarding choices of energy. As part of this it should include consideration of how to deal with the vulnerability of poorer consumers to energy price hikes, in a sustainable way – avoiding long-term subsidies of fossil fuels, and include environmental and social costs in third world countries such as destruction of rainforests.**
– *"ensure cost-effectiveness of policies,"* **The most important is the success of policies, and only then their costs relative to their success**
– *"be compatible with the internal energy market."* **The internal market is a mean to achieve sustainable development - not an end in itself, so the compatibility must be both ways: the market structures must also be compatible with the transition to efficient use of renewable energy.**

**Comments to the proposed polices and measures (par. 3)**
We welcome a legally binding target of 20% renewable energy in primary energy supply and emphasis that as a legally binding target it must be a minimum target and that a target of 25% of primary energy supply in 2020 is a better, and yet achievable target.

INFORSE-Europe proposes that top priority is given to reductions on the demand side as there is huge potentials in reducing the gross amount of transport (air and car). This said INFORSE-Europe supports a 10% target of renewable energy supply in a decreasing volume of transport, as one of several measures to support the necessary transition to sustainable development of the transport system. We support such a target and not a special target for biofuels, among other reasons because it is unclear whether it can be implemented in a sustainable way. Increased production of renewable electricity combined with increased use of electric vehicles, including electrically driven public transport, has the potential to provide a cleaner, more efficient and cheaper transport than biofuels used in combustion engines.

INFORSE-Europe supports the proposed national, sectorial targets (sect. 3.4) as an important part of a successful European strategy for renewable energy.

Compared with the proposals of the Commission for increase of renewable energy, INFORSE-Europe proposes higher growth in windpower and in solid biomass, including energy plantations to produce biomass on farm land in the EU-27. This combined with higher energy efficiency and the start of a transition to a more sustainable transport structure, reducing the growth of the transport demand, leads to our conclusion that the EU can achieve the target of 25% of the primary energy from renewables in 2020.

INFORSE-Europe proposes less use of biofuels in transport than the EU Commission's proposal of 14% (par. 3.4 p. 11) and that the renewable energy strategies do not include import of biofuel. This is, among other reasons, because of the uncertainties of the sustainability of biofuel production from Third countries. It does not exclude the actual import of biofuels from sustainable sources outside EU. The important issue is that the biofuel target must not rely on import of biofuel.

INFORSE-Europe strongly supports that the road map for renewable energy is followed by a series of promotional policies, on EU-level as well as in each of the 27 countries in the EU, as proposed in the par. 3.5.

Regarding the measures proposed (par 3.5), INFORSE-Europe does not find that the support measures for renewable electricity should be harmonised unless the harmonisation is based on the most successful national support schemes, including the feed-in tariffs in Germany and Spain.

INFORSE-Europe supports the introduction of legal measures for renewable energy for renewable heating and cooling as proposed, and other measures. This must include:

- the removal of barriers, including legal barriers, to the use of renewable heating and cooling,
- a requirement that renewable heating and cooling is used in new and renovated buildings whenever cost-effective, and
- an obligation for district heating operators to buy renewable heat from CHP and solar.

The malfunctioning of the internal energy markets is also an obstacle for the development of renewable energy, and INFORSE-Europe agrees with the proposed improvements of the internal energy markets with unbundling, increased transparency, etc. Equally important to improvement of market structures is the promotion of local involvement in renewable energy with local ownership and use. This must include the promotion of preferential tariffs for renewable energy installations with primarily local ownership, loans or loan guarantees for installations with local ownership, and for the smallest installations (in households) the general application of net-metering.

The integration of renewable energy in grids is another important aspect, as recognised in par. 3.5; but more important than the proposed solution (grid integration) is the development of more flexible and intelligent electricity grids, as well as flexible consumption such as heat pumps coupled to CHP plants. This must be reflected in the road map.

Full exploitation of EU's financial instruments for renewable energy including structural funds is another measure in a successful strategy for renewable energy, as recognized in the text. INFORSE-Europe's evaluation of structural funds 2004-2006 shows that:

- renewable energy only received a minimal share of structural funds in a number of new EU countries,
- that eligible renewable energy projects were not funded because of under-allocation of structural funds to the sector, and
- that not all projects labelled as renewable energy project had built-in a guaranteed increase of renewable energy[3].

These issues must be addressed, if the potential for structural funds for promotion of renewable energy are to be utilised effectively.

Countries and regional and local authorities have a number of crucial roles to play for a successful strategy for renewable energy, as pointed out in the communication's par 3.5. In addition to the roles mentioned, they should also:

- establish favourable economic conditions for renewable energy,
- provide loan guarantees for larger renewable energy systems such as district heating systems based on renewable energy,
- ensure EU funds such as structural funds are used more for renewable energy,
- ensure that unbiased information and advice is available to all potential users of renewable energy, either by own advice service or by independent non-profit organisations with practical experience.

[3] One example is the renovation of a colabiomass co-fired power plant in Slovakia, where the renovation does not guarantee that there will be used more biomass on the plant in the future.

# INFORSE-Europe comment on Report on progress in renewable electricity COM(2006)0849.

Draft, 27/3 2007

The report finds that only ¼ of the countries have sufficient support for biogas and 2/3 of the countries give enough support for windpower. This, together with a large number of barriers, explains why the EU-15 will not reach the target of 21% renewable energy in electricity. The conclusion of this must be that those countries that give un-sufficient support today must increase their support, and that the barriers must be reduced.

The report does not discuss the sustainability of the renewable energy development. It is mentioned that the Dutch increase in renewable electricity might not continue; but it does not mention that a large part of this increase is made with palm oil imported from tropical countries from sources that are most likely unsustainable. Biofuels from palm oil can even result in ten times larger carbon emissions. **Imports from such unsustainable sources must be excluded.** Also the British increase in electricity from solid biomass is to large extent based in long-distance imports from tropical countries, but in this case of solid biomass. Further, a part of the large growth of the Danish renewable energy increase is actually waste incineration[4], which is not necessarily a sustainable solution.

In the conclusions (par 6) is stated *"The operation and the investment in renewables based generation are more efficient when renewable energies are exposed to market price signals"*. While INFORSE-Europe supports competition among renewable energy equipment suppliers, we cannot agree with this part of the conclusion: the most cost-effective support schemes for renewable electricity are those with a known, fixed price for renewable electricity, such as the German feed-in tariffs.

For the same reason INFORSE-Europe cannot support the objective of a harmonised renewable electricity support scheme, unless it consists of feed-in tariffs.

[4] Of the renewable electricity supply in Denmark in 2005, 14% was from the so-called biodegradeable share of waste incineration. If this was not included, the renewable share pf electricity supply would be 24.6% instead of 28.5%. While it is questionnable to include any share of incineration of mixed waste, it is even more questionnable that 78% of the total electricity production from waste incineration is included as renewable electricity.

## INFORSE-Europe comment on the Biofuels Progress Report Report COM(2006)0845.

Draft, 27/3 2007

INFORSE-Europe does not agree that biofuel is the only way to increase renewables in transport: when 67% of the energy for rail transport comes from electricity, there is a potential to use renewable electricity in transport[5]. In the future also electric cars can play an important role.

We welcome the proposal to introduce sustainability criteria and propose that they are introduced as fast as possible. We propose that it is included in the criteria that GMO biofuel crops are excluded from sustainable biofuels.

We propose that in the amendment of the directive 2003/30/EC is set a target of 10% renewable energy in transport for 2020 instead of 10% biofuels in transport fuels.

[5] The energy use in rail transport is only about 3% of the energy use in road transport, but because of the much higher efficiency in rail transport, the transport work is relatively much higher.