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The revised Renewable Energy Directive

Workshop on the European Energy Union

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Dirk Hendricks

- Senior Policy Advisor -

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A fundamental transformation of Europe's energy system

- Renewable energy and energy efficiency as centre piece for a new stable, secure, affordable and democratic EU energy system
- Promotion of all renewable energy sources and technologies
- Decentralised energy system with multitude of independent power producers, paired with large scale RES provider
  - Prosumers and self-consumption
  - Empowerment of consumers (households, cooperatives, SMEs)

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Prerequisites for an energy system transformation

1. Dedicated long-term commitment to 2050 EU goal and international commitments.
2. Clear and **reliable governance framework** for RE deployment (investment security and confidence)
3. **New energy market design with RE and EE as centerpiece** which creates a vibrant home market with clear growth perspectives
4. **Financing structure and tools**
   - Access to cheap capital throughout the EU
   - Public-private partnerships
   - Funding schemes for small and medium-sized RE projects ("Think Small" approach)

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Crucial points for a cost-effective energy transformation I

- **More ambitious renewable energy and energy efficiency targets for 2030**
- Gap filler, gap avoider - the dilemma with missing national binding RE targets
- **Strong, enforceable governance framework**
  - Draft Council conclusion (autumn 2015): "…Member States may decide, if appropriate, to update or review their National Plan in light of changes in national circumstances;"
  - Retrospective changes? Investment security?

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Crucial points for a cost-effective energy transformation II

- **Continued national RE remuneration schemes** and
- **Priority access and priority dispatch for renewables** due to
  - Over- capacity from nuclear, gas and coal power stations and capacity markets
  - No full internalization of externalities
  - No functioning ETS
  - Continued subsidies for nuclear and fossils
- **Priority access and priority dispatch for renewables** to avoid "natural merit order effect"

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Crucial points for a cost-effective energy transformation II

- **Structured phase out plans for nuclear, coal and gas capacity** in the various Member States as progressive task needed; use of dedicated structural fund regulations – a societal tasks similar to industry structural change e.g. in shipbuilding in the past
- **Stop of subsidies for nuclear, gas and coal sectors**
- Fully functioning intraday and common balancing markets (no capacity markets)
- Further developed interaction between sectors power- heating and cooling- transport
- **No retrospective and retroactive measures against existing renewable energy projects** – no green light for operational programmes for countries who still use retroactive changes

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How to install renewables in a cost effective way

- Dedicated long-term commitment to 2050 EU goal and international commitments (investment security)
- No retrospective and retroactive measures against existing renewable energy projects
- Priority dispatch for renewables
- Decentralised system and use of all renewables
- Access to cheap capital throughout the EU
- Reduced administrative and financial burdens for renewables
  - Time to get permits and planning (one-stop-shop)
  - Taxes and levies
- Technical innovation
- Economy of scale

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Thank you for your attention!

Dirk Hendricks

Senior Policy Advisor

dirk.hendricks@eref-europe.org

www.eref-europe.org