



EREC's Position on the Framework Directive for Renewable Energy Sources

EXECUTIVE SUMMARY

The European Renewable Energy Council- representing the European renewable energy industry, trade and research associations- wants to outline the basic needs for the forthcoming Renewable Energy Framework directive:

Action in time: The target will only be met if legislation on the European and the national level is adopted timely – before the 2009 European Parliament's elections.

The 3 targets for 2020: Three key targets on renewable energy, energy efficiency and greenhouse gases have been agreed for 2020 by the Heads of State. Each of them makes sense and stands for itself. Efforts to downplay the renewable energy target by stressing the greater significance of the greenhouse gas reduction target – e.g. by including nuclear energy to count towards the renewables target - need to be turned down.

Distribution of the RES Target: The 20% target is an ambitious but realistic objective decided on by stateswomen and statesmen based on the impact assessment prepared by the European Commission. The important thing is not so much which approach will be applied- be it flatrate or potential-based- but whether a fast agreement can be reached on this approach.

General criteria for RES support mechanisms: Certain criteria should be set on the European level to apply to all national support mechanisms such as: effectiveness in reaching the targets, long term stability, simple and quick administrative procedures. Harmonisation of support schemes in the electricity sector is premature at this stage.

Sectoral Measures: EREC details the measures needed in the electricity (e.g. priority grid access), heating and cooling (renewable heat obligation), and biofuels sectors to fully tap the renewable energy potential in all sectors and all Member States.

Compliance: The European Commission must give itself the means to impose fines on Member States if it becomes clear that they will not reach their national binding target.

Sustainability criteria for biomass: EREC advocates strong sustainability criteria applying not only to biofuels but also to biomass in general. Generally speaking, bioenergy is a sustainable energy source and certification should guarantee that biomass is produced in an environmentally friendly way. It should be noted that the European agriculture and forestry production is already largely certified, as compared to the rest of the world, and existing

instruments could be reinforced. It is crucial to create a level playing field for European production and import of biomass.

Cross-border trading: Some Member States have been calling for an EU-wide trading mechanism. Such a market requires sellers and buyers. So far Member States calling for an EU-wide trading mechanism only expressed an interest in buying, not in selling. A trading system will lead to under-achievement of the target, if no one can give an answer to the question of who should be the sellers. There is no reason to introduce such an artificial mechanism if it is meant to produce disincentives for domestic investment and to endanger prosperous support schemes.