



European Renewable Energy Council

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“NER300 – better than expected”

Brussels, 3rd February 2010. The EU’s Climate Change Committee of the Council (CCC) reached an agreement last night on implementing the so called “NER300” after amending a previous draft decision and thereby making some improvements. The European Renewable Energy Council (EREC) welcomes the final agreement.

“Given the climate and energy challenges Europe is facing, we need to bring innovative renewable energy technologies closer to the market. This will not only secure energy supply and significantly reduce greenhouse gas emissions, but bring about a competitive economy with future-orientated jobs. In this regard, NER300 could help Europe to meet both its 2020 targets and its renewed Lisbon Strategy”, says Prof. Arthouros Zervos, President of the European Renewable Energy Council (EREC). The Council’s Climate Change Committee (CCC) adopted last night a draft decision on how to allocate the 300 million EU emission allowances (EUAs) set aside from the New Entrants Reserve (NER300) of the ETS to help finance CCS and innovative renewable energy projects.

The Annex of the draft decision that defines project categories that are eligible for the NER300 funding has been updated to include four more new renewable energy categories. “EREC very much welcomes this last minute step forward as it further acknowledges the wide-range of innovative renewable energy projects which need to be commercialized”, says Prof. Arthouros Zervos, adding, however, that “not all renewable energy areas identified by the industry have been considered for demonstration financing, especially regarding installations, grids and upstream projects to help the sector standardise and reduce costs.”

EREC welcomes that the final CCC agreement has eliminated a provision whereby all Member States would have been required to match one NER300 Euro with one Euro from their national budget. “This would have certainly have decreased rather than increased the ability of NER300 to fund projects”, says Prof. Zervos. However, the NER300 selection procedure remains complicated, requiring an evaluation and coordination by developers of innovative nature, Member States involvement and agreement by the European Investment Bank (EIB).

Finally, EREC believes, that continued financing of innovation in a renewable energy sector that has already proven its ability to reduce emissions is more advisable than banking on the possibility of CCS technically working out. The typically short construction and planning times of renewable energy projects will enable a much faster roll out once the technology has been successfully demonstrated. In this sense, it is almost certain that renewable energy projects financed by NER300 will have a larger impact on emission reductions by 2020 than CCS will. Hence, Arthouros Zervos, President of EREC concludes with the following remark: “EREC expects that a greater share of NER300 will be allocated to renewable energy projects, as a prominent question remains ‘why should the EU brush emissions under the earth’s *carpet* when it could avoid them altogether?’.”

EREC, the European Renewable Energy Council, is the umbrella organisation of the major European renewable energy industry, trade and research associations active in the field of photovoltaics, small hydropower, solar thermal, bioenergy, ocean & marine, geothermal, wind energy, solar thermal electricity and biofuels. It represents an industry with an annual turnover of more than 45 billion € and more than 450.000 employees.