



5th Workshop of the International Feed-In Cooperation

Brussels, 7-8 April, 2008

Conclusions

At the 5th workshop of the International Feed-In Cooperation, about 80 representatives from 18 countries, among them 15 Member States of the European Union, the Commission and Members of the EU Parliament, came together in Brussels on 7 and 8 April 2008 to discuss the Commission proposal for a directive on renewable energy. In particular the workshop aimed at deepening the understanding of the COM proposal and discussing concrete alternatives to the model of trade of Guarantees of Origin (GO) proposed by the Commission. From the discussions the chair draws the following conclusions:

Implementation of EU target of 20% of renewable energy by 2020 is a big, but feasible challenge

The implementation of the mandatory target of a renewable energy share of 20% in the overall EU energy consumption in 2020 was recognized as a big, but feasible challenge. In order to reach this ambitious target, it is essential that all Member States have the means to exploit their potentials, thereby making use of all available technologies.

The COM proposal for a draft directive on RE is a good starting point but still has deficits

The COM proposal for a directive on RE was recognized as a very good starting point. It implements the overall target of 20% of final energy consumption in the EU by setting mandatory national targets and interim targets. It stipulates national action plans which leave it to every

Member State to decide its own way to reach the targets as well as priority access to the grid. However, the proposal has deficits, particularly concerning flexibility.

Flexibility is necessary but must be carefully designed

Flexibility is necessary in order to allow all Member States the possibility to reach their targets. However, as Member States are legally obliged to reach their national targets, they must have full authority to choose the appropriate instruments for reaching their national target. Consequently, instruments for flexibility must not compromise national support schemes. Moreover, additional costs and bureaucracy must be avoided. In this respect, the transfer of RE amounts between MS as foreseen in principle by the Commission is welcomed.

The proposal's free trade of Guarantees of Origin (GO) endangers national support schemes

The COM proposal provides for a system of transfer of GOs between private persons which count towards national targets. The system is mandatory with certain exemptions under which MS can “opt out”. It appears that the exemptions under Art. 9.2 are weak (“empty box”) and do not leave full authority to Member States to decide effectively whether to allow a trading system of GOs or not. Legal experts laid out that the COM proposal conflicts with internal market legislation. Therefore this system endangers in particular technology specific national support schemes like the very successful feed-in systems and the overall development of RE in the EU.

“Opt in” instead of “Opt out”: A viable alternative which provides MS with more freedom

It was clearly stated that the alternative should be simply to reverse the principle of “Opt out”: Trade with certificates among persons which count towards national targets should not be mandatory but MS should be able to enter such a regime if they wish (“Opt in”). It was seen as important that the disclosure function of Guarantees of Origin is ensured. For this, GO should be defined as under the existing Directive 2001/77/EC, i.e. a mere proof that a given quantity of energy was produced from renewable energy sources. The GO could be freely traded, but would not count towards national targets.

The directive should provide for additional suitable flexibility options

In addition to “Opt in”, other different flexibility concepts were discussed at this workshop which do not endanger national support schemes and nevertheless allow enough flexibility.

- Member States may decide to virtually transfer shares of their surplus amounts of renewable energy production to or from another Member State or another actor with effect on national targets. This transfer does not have to happen on the basis of GO but could be based on energy statistic.
- Member States may agree on joint projects where one MS supports a project in another MS in exchange for the equivalent amount of renewable energy accounting for its national targets.
- Member States may decide on a voluntary basis on common targets, implement common support mechanisms or open their support mechanisms to energy from other Member States.

How to proceed

Clearly, there is great concern among workshop participants and Member States about the current draft directive. The Commission is called upon to consider the results of the discussion, in particular the alternative models for flexibility. MS need to continue the intensified dialogue in the framework of the International Feed-In Cooperation and other fora, and are called upon to engage actively in the European Council working group to express their concerns and positions.

The next workshop of the IFIC will be held in autumn this year in Spain.