



Renewable Energy Policy Action Paving
the Way towards 2020

NATIONAL ASSOCIATIONS' NEWSLETTER

Update on Market Trends and Policy Support since June 2009

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BELGIUM-News from EDORA

New regional governments and Energy policies

As a result of the regional elections in June 2009, the three Belgian governments (the Brussels, Walloon and Flemish ones) have constituted new coalitions including partners with a strong environmental program. The big winner of these elections, for the French community, has been the green party, Ecolo, which has negotiated key ministries for energy and environmental matters (in Brussels and Wallonia). For the Flemish government, the socialist party, SP.A, has received the energy ministry with a strong vision on renewable energy.

Concretely, in his coalition treaty, the Walloon government plans to develop a strong sustainable policy for the Region on social, economic, and cultural levels. The coalition aims to support the development of renewable energies to achieve the Belgian goal of 13% by 2020 and this by supporting "Research and Development", creating new "competitiveness pool" focused on green technologies, increasing the employment with new green jobs, building ecological zonings... The Walloon treaty seems to be ambitious on renewable energy policy with a renewable energy target that must "tend to" 20% of the consumed energy. Their vision still needs to be implemented on key topics. Among them: the grid modification, the redefinition of the reference framework for wind energy development, the urgent revaluation of green certificates quotas for 2010...

The Belgian specificity lies in its institutional complexity. Energy policy falls to regional governments, but it is also a part of federal competences. That can explain the difficulty for Belgian authorities to coordinate figures and to agree on a burden sharing on the implementation of the RES directive 2020 (National Action Plan).

Cut of tax credits for photovoltaic

The Walloon ecological tax credits for photovoltaic installations are over. The new Walloon government has decided to cut this kind of subsidy for households from 2010. Tax credits (30 % of the total installation cost) have been a part of a large support system for the photovoltaic sector, called Solwatt Plan. This decision has created a little storm in the sector. Some photovoltaic companies have been frightened of losing their clients. To reassure the sector, the Walloon minister of Energy, has announced an urgent strengthening of the regional system support for the photovoltaic.

Offshore situation and North Sea offshore grid

The fifth offshore concession at Belgian North Sea has been delivered to Air Energy. The Walloon company's project, named "North Sea Power", aims to develop a wind farm with 66

turbines corresponding to 300 MW of installed capacity. The investment amounts 1, 5 million euro.

Currently, still two concessions are being free. The energy regulator, CREG, has to give a notification about six candidate projects.

For 2020, the Belgian offshore park would count 500 turbines corresponding to an installed capacity from 2.300 to 2.700 MW.

The Belgian energy minister and his administration are the driving forces in the development of the plans on the North Sea offshore grid. Our minister is leading the discussions within the penta-forum (gathering France, Belgium, Germany, The Netherlands and Luxembourg) on the development of a kind of Blueprint in close contact with the European Commission. In addition, the Belgian Director-General will informally take contact with Denmark, UK, Norway, Sweden and Ireland and explore modalities of further cooperation. The Belgian Director-General will also contact ENTSO-E to agree on a common set of objectives and further ways of cooperation. An agreement on the principle of a political declaration will normally be signed at the next EU Energy Ministers' meeting in December 2009.

The work will continue in 2010 as the offshore grid development and its coordination is inscribed as a priority in the Belgian EU presidency program (Belgian presidency starting in July 2010).

FRANCE- News from the SER

Policy support :

Electricity:

Discussion on the feed-in tariff (FIT) for PV and biomass are ongoing since June (the final FIT is expected for the end of year). FIT for biomass could reach 150 euros/MWh.

Heating : the results of a first call of tender (BCIA : Biomass for heating in industrial and agricultural sectors) are known. More than 30 projects will be supported by ADEME for a total production of 150 000 toe (ADEME's communication on october). The second call of tender will be communicated soon.

Domestic renewable energy systems: They are ongoing discussions about the level of tax exempt for wood burning appliances and for heat pumps. The final decision will be taken at the end of year.

Market trends:

Renewable Electricity:

- **Wind power:** 4 000 MW on grid in June (1 000 MW installed in 2009). . According to the SER's estimations, the global power on grid will be 4500 MW at the end of this year.
- **Solar photovoltaic :** 135 MW on grid in June. According to the SER's estimations, the global power on grid will be 200 MW at the end of this year. The main market is domestic sector (output < 3 kWp).
- **Biomass for electricity :** About 300 MW on grid in June. This sector is supported by call for tender so the growth is slow for the moment.

Renewable for heat:

- **Wood energy:** the market of wood burning appliances is stable with 450 000 appliances sold per year. At the end of 2009, we think 30 000 pellets boilers and stoves will be sold (in 2008, between 15 and 20 000). The main market is wood logs burning appliances.
District heating and industrial heating with wood chips : the growth will be very important this year due to a dynamic policy of support.
- **Solar thermal :** diminution (- 10%) in 2009 /2008. 350 000 m2 installed in 2009.
- **Heat pumps :** no data for the moment.

GERMANY- News from BEE

New Government Coalition and Renewable Energies

As a result of the general elections in September, Germany now has a new government coalition with Christian Democrat Chancellor Angela Merkel in coalition with the Liberals. In the [coalition treaty](#), there are various agreements concerning energy and climate change. BEE's first assessment of the new coalition's agreement on renewables is „satisfactory“. The new coalition highlights the importance of renewable energies for future energy supply. They plan to maintain and enhance Germany's leading role in renewable energy technology development. Conventional energy shall increasingly be replaced by renewables. The new coalition underlines the priority for renewable energies and agrees to maintain and further develop the Renewable Energy Law (EEG). Proposals from within the two coalition parties to immediately amend the EEG in order to reduce the support level in particular for PV did not make it in the coalition treaty. Instead, the new government offered a constructive dialogue with renewable energy industry in order to find out which changes in EEG and other support instruments for renewables will be proposed. The next complete revision of the EEG is now foreseen to enter into force in 2012 (instead of 2013 as foreseen in the amendment which has entered into force in January 2009). In addition, the idea to revise some of the PV tariffs earlier seems to be maintained.

Apart from these general points, there are some positive aspects in the coalition treaty. They agreed to develop incentives for R&D on storage technologies and to introduce a bonus for combined production of electricity from different renewable sources. A major negative decision, however, is the agreement to extend the lifetime of nuclear power plants. This will endanger the priority for renewable energies, because it will most likely create bottlenecks and congestions in the electricity grid. It will therefore also put at risk the necessary transformation towards a flexible grid which is needed to accommodate large quantities of wind, solar and other renewable energies. In addition, the extension of nuclear reactors' lifetime creates further economic imbalance in favour of the big incumbent utilities, which again could reduce the speed of renewables deployment.

For the heating sector, the coalition treaty is disappointing. Although the Renewables Heating Law and the Market Incentive Programme are maintained, the coalition did not agree to set up a reliable instrument which is not subject to annual budget decisions. In addition, new incentives for harvesting the potential of renewables in the building sector, in particular in existing buildings, are missing.

In the transport sector, we welcome the coalition's plan to revitalize the market for pure biofuels. Decisions to raise the blending quota, however, are missing.

It remains to be seen, how the coalition treaty will be implemented by the new government. BEE and renewables industry will closely follow up on it.

Industry Forecast: 28% of Final Energy from Renewables in 2020

After having presented an electricity scenario 2020, BEE has now published an overall energy strategy 2020, comprising all three sectors. According to this industry forecast, more than 500,000 jobs will then be created in renewable energy. Investment will have added up to more than 200 billion Euros from 2005 to 2020. Assuming that reliable framework conditions for all three sectors will continue to exist or be adapted to the needs of rapid growth of sustainable energy, the scenario shows that a 28%-share of final energy in 2020 is feasible. According to the calculations of BEE and its member associations, this would comprise 47% of electricity, 25% of heating and cooling and 18% in the transport sector. Details (in German) can be downloaded [there](#).

Crossing another threshold: 25,000 MW of installed wind capacity

On the 24th of September, Hermann Albers, President of the German Wind Energy Association (BWE) and the German Environment Minister inaugurated wind-farm Ochsenfurt-Erlach, near Würzburg in the federal state of Bavaria. This wind-farm marks the symbolic threshold of 25 GW of installed wind capacity in Germany. Details (in German) can be found [there](#).

ITALY- News from APER

Issue regarding the expiring of large hydro concessions

Everybody can ask for water for hydroelectric purposes. The authority has to proclaim a call for tenders to assign a concession.

According to this principle, after the deadline of a big concession if the owner of a hydro plant asks for a renewal the authority proclaims a call for tenders and everybody can ask for the concession in place of the former concessionary. Up to now there's no real and significant case of such a situation, but some concessions are going to expire by 2010.

Italian producers are asking to government clear rules for these calls for tenders.

Grid development and forced reduction of energy production (wind)

During the last months the national transmission grid did in many parts (especially south and islands) not to have enough capacity to bring all the energy production from plants (especially wind plants, typically placed far from the main grids).

TERNA (the Italian TSO) is delaying the infrastructural planned development and the safety of the grid imposes several restrictions on wind energy production. Terna requires the producers to reduce their energy production.

Moreover, the unsold energy creates big losses and financial problems to wind companies since the actual refunding system, set by Italian Energy Authority L'Autorità per l'energia elettrica e il gas (AEEG) with Del. 330/07, is unsatisfactory. AEEG is currently evaluating the review of the compensation mechanism.

New feed-in premium tariffs

On the 12th of November three national associations APER, the Italian Renewable Energy Association, GIFI – Gruppo Imprese Fotovoltaiche Italiane and ASSOSOLARE- the two Italian Photovoltaic Industry Associations- have presented to the Government their proposal on new feed-in premium tariffs in force by 2011:

Classe di potenza (kW)	Terra c€/kWh	Edificio c€/kWh
1-6	0,365 (5%)	0,401 (5%)
6-20	0,339 (7%)	0,375 (7%)
20 - 200	0,313 (9%)	0,330 (14%)
200 - 1000	0,304 (12%)	0,323 (16%)
>1000	0,297 (14%)	0,315 (18%)

New Decree in force for 5 years: 2011-2015.

Target: 8.000 MW by the end of 2015.

Annual tariff reduction (by 2012): 4%.

POLAND - News from PIEGO

On 10 November 2009, the Council of Ministers has endorsed the Polish Energy Policy until 2030. The document sets national targets and identifies energy trends, presents forecasts on energy demand and identifies actions that must be taken by 2012 to fulfill the international environmental commitments particularly the RES Directive 2009/28/EC.

RES scenarios included in the Polish Energy Policy show that to achieve the 2020 RES target, the gross RES electricity production in 2020 should amount to approximately 31 TWh (it will represent 18.4% of total production). In 2030 it should increase up to 39,5 TWh, which corresponds to about 18.2% of a total production. The main contribution will come from wind energy - by 2030 about 18 TWh, which corresponds to approximately 8.2% of the estimated total gross production. A substantial increase in high efficiency cogeneration units is foreseen, namely, to 47.9 TWh/y in 2030 (the 2006 production from cogeneration amounted to 24.4 TWh). The scenarios foresee an increase of the share of RES in total primary energy consumption from about 5% (2006) to 12% in 2020 and 12.4% in 2030.

The amendment to the Energy Law is still underway in the Senate. Some new regulations concerning the connection of new RES plants to electricity grid and the support mechanisms for biogas are to be implemented.

PORTUGAL- News from APREN

Since June 09, Portugal has had governmental elections. The Socialist Party won without majority. A new Government took office in the beginning of November. It presented its program that has yet to be approved by the Parliament.

You will find below the main features concerning renewable energy on this program.

Targets for power capacity set, in November 2009, by the new Portuguese government program:

Power capacity [MW]	2010	2015	2020
Wind: Onshore	5100		8000
Offshore			500
Large Hydro	5575	6250	7000

Small Hydro	400	650
Solar	150	1500
Waves		250
Biomass	250	
Solid Waste	100 ⁱ	
Biogas	100	
Co-generation	2000	
Geothermal		250

It was also proposed:

- To replace until 2012 5 to 10% of the coal burned in the power plants by biomass or waste derivatives.
- To decommission all fuel power plants up to 2012.
- To stop all electricity imports up to 2020 (in 2008 they were 19%).
- To install 100 000 m² /year of solar thermal from now to 2020.
- That all new buildings have mandatory energy classification (at least B).
- To have by 2020 at least 180 000 electric vehicles, including 1 300 charging points by 2011 and 25 000 by 2020.
- To reduce the electric consumption by 3% in 2012 and 10% by 2015.
- To introduce smart grid in such a way that 50% of the consumers will be covered by 2015 and 80% by 2020.

SPAIN- News from APPA

The Spanish Government on Friday 13th of November 2009 approved a timetable for new wind and CSP plants to be installed between 2010 – 2012/13.

The established timetable foresees a 20,155 MW of installed wind power capacity at the end of 2010 as well as 861 MW of CSP capacity. The agreement allows for the stepped commissioning (mainly) of wind and CSP plants during the next three (to four) years. Whereas more than 5,200 MW (with more than 1,700 MW annually) of wind power plants will come into force between 2010 and 2012, a further 2,040 MW (or 500 MW per year between 2010 - 2012 and 540 MW in 2013) of CSP plants were approved. The agreement

establishes the controlled coming into force of wind power and CSP plants inscribed within the Register of Preassignment (RPA) of the Special regime (as created by the Royal Decree Law 6/2009) during the next years. In the RDL 6/2009 it is laid down the possibility to establish a timetable for the commissioning of those technologies inscribed in the RPA which overshoot their technology target laid down within the Renewables Plan 2005-2010 to preserve the technical and economic stability of the electric system.

Besides, the new timetable pretends to give developers a predictable horizon for the next 3-4 years, providing the investment security they need. At the same time the additional costs of RES support paid by the final consumers will be rationalized. Nevertheless the new tariffs for wind power and CSP installations still have to be decided.

Annual distribution (MW) & estimation 2010-2012 (2013)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Wind power	1524	1595	3508	1609	1864	1855	1700	1700	
CSP			11	0	350	500	500	500	540
PV	25	98	550	2748	473	500	484	532	
Small hydro	57	130	7	45	112	30	30	30	
Biomass	30	41	16	28	65	150	150	150	
TOTAL	1.635	1.864	4.092	4.429	2.864	3.035	2.864	2.912	540

Current development of the Spanish PV market:

Until November 2009, 3 rounds of so called pre-assigned registration (following the established procedure within the Royal Decree 1578/2008) were completed, leading to the following results:

- ⇒ **only 251.2 MW were approved, whereas the number of correctly presented projects amounted to 2,051.9 MW (8.2 times higher as approved projects)**
- ⇒ **Between 2/09 – 7/09 PV tariffs for ground mounted installations were further reduced by 9.5%**

Besides, at the end of October 2009, the Spanish government postponed the publication of the 4th tender call (foreseen for end September 2009) until mid December 2009, thereby delaying all further tender rounds of 2010.

Most of the assigned PV capacity in the first 3 pre-assigned registration rounds still haven't started to be mounted, because most of the firms with allocated capacities are waiting for still lower module prices.

UNITED KINGDOM- News from the Renewable Energy Association

In order to de-politicise and speed up decision making on larger infrastructure projects, the Government introduced new legislation, the Planning Act in 2008. This created a new body – the Infrastructure Planning Commission (IPC), which will take decisions on such projects, instead of ministers.

On 9th November draft guidance for the IPC on what to take into account when determining energy projects was published. These draft National Policy Statements cover a number of energy technologies (renewables, clean coal and nuclear) and transmission infrastructure. For renewables the IPC will take decisions on onshore projects over 50MW, and offshore projects over 100MW.

The overall energy objective is to reach around 30% from renewables by 2020 and 40% by capacity from nuclear by 2025. For interest – on coal, no new plants can be build without (at least 300MW of the plant) being fitted with Carbon Capture and Storage. Up to 4 demonstration plants will be funded by a new levy, which will be introduced in the next Energy Act (2010). For nuclear, 10 sites have been identified as suitable for new plant.

Given that the IPC only needs to cover projects of 50MW (onshore) the Government has only covered those renewable technologies which are anticipated to be deployed at this scale (ie wind, biomass and energy from waste). It covers offshore wind, but not yet wave and tidal and has not covered hydro.

The guidance on transmission lines, will be very helpful in speeding up what can otherwise take up to 12 years or so. Significant amounts of upgrades are required to accommodate the planned wind plant in Scotland, in particular.

However, for renewable energy projects the REA does not expect the new regime to necessarily make very much difference. This is because Local Authorities will continue to decide on the smaller projects, and they may not pay much heed to the National Policy Statement on renewables. In general much more consistency and efficiency is needed in Local Authority decision making.

The IPC's guidance could have been written with this objective in mind - aiming to be the last word on a many questions that come up time and again in the local decision-making process, but which are best addressed nationally. Unfortunately it was not, and therefore this has been rather a wasted opportunity.

For these smaller projects the Government is consulting on how the 10 regions in the UK can be more consistent in working out their renewable potential and setting targets. However this seems unlikely to make a great deal of difference either, and could even be damaging if

it results in local authorities publishing maps zoning where renewable developments might be best placed.

There is considerable political uncertainty around all of this, however. The Conservative party is widely expected to form the next Government, by May 2010, and it has said that it will:

- Not have the IPC making the final decisions on planning large scale infrastructure (which probably won't make a great deal of difference for renewables)
- End the regional basis of government (which could undermine target setting)
- Allow local authorities to keep a proportion of the business rates raised from wind farms (which is likely to be extremely helpful).

Other policy areas

The consultation period on feed in tariffs for small scale electricity has ended. Industry is worried the tariffs may be too low (5 - 8% ROI) when introduced in April 2010.

The consultation period on changes to the Renewables Obligation for 2010 has ended. Industry does not like "revenue stabilization" proposal. Worried about continual change to the RO policy.

Consultation on Renewable Heat Incentive due in mid December 2009.

Grid access consultation (on who will pay for costs of constraints under a connect and manage regime) just closed. Most industry responses calling for socialization of additional costs.

SWEDEN- News from SERO

The government has given the Swedish National Energy Authority (SNEA) a request to suggest how the EU-directive on renewable energy shall be fulfilled (2009-08-26). SNEA has sent out requests to several organisations, among others SERO, to give them advice before the 9th of November. We have sent the Authority our advice. SNEA is going to arrange a hearing about the outcome of these requests 11th of January 2010, where SERO shall participate. Then SNEA shall send their conclusions to our government before first of February.

Within the next two months the government shall also tell the market leading state owned power company, Vattenfall, to take the lead on the way to more renewable energy. This should have been done long ago but has been delayed because of politics. However, the CEO of Vattenfall, Josefsson, got fired recently it should be more meaningful to give Vattenfall instructions to speed up the investments in renewable energy.

News from Brussels

New faces in the European Commission:

José Manuel Barroso, President of the European Commission, unveiled on the 27th of November his team of Commissioners for his second term.

The new Energy Commissioner will be Günther Oettinger, current Minister-President of Baden-Württemberg in Germany. Since 2005, when Oettinger became President of Baden-Württemberg, the Land has raised its targets for renewable electricity. In 2007, the Land's target for renewables was raised to 20% of electricity by 2020, up from 11.8% in 2006.

Barroso also nominated Danish Minister for Climate and Energy, Connie Hedegaard to the new 'climate action' portfolio. Up to now, the Commission has had portfolios for environment and energy, but not a specific post for climate affairs. Hedegaard has played a central role in the run-up to the UN climate conference in Copenhagen on 7-18 December.

The new Commission must gain approval from the European Parliament before it takes office for a term of office running until 2014. Commissioners-designate will appear in individual hearings before Parliamentary committees from 11-19 January. The vote of consent on the new Commission as a whole is foreseen to take place on 26 January.

The CVs with pictures of the 26 Commissioners-designate are now available on [this link](#).

New buildings to be 'nearly-zero-energy' by 2020

EU governments and the European Parliament have reached a political agreement on the recast of the Energy Performance of Buildings Directive (EPBD).

The recast introduces for the first time a European-wide definition of 'nearly zero energy buildings'. Up to now, only a handful of Member States had definitions for low energy/plus energy or zero carbon buildings, and these were all different. Nearly -zero-energy buildings are now defined in the EPBD as constructions that have "a very high energy performance". Any energy that they use should come "to a very significant extent" from renewable energy sources. New buildings will have to be nearly zero energy buildings by 31 December 2020 with public buildings having to fulfill this standard two years earlier. In effect, the EPBD sets out a renewable energy obligation for buildings by 2020.

With both the Renewable Energy Directive and the EPBD paving the way for a gradual phase-in of renewable energy in buildings, it is crucial that Member States take a proactive stance and do their best to coordinate implementation of both pieces of legislation.

The EPBD text agreed still has to be formally approved by the Council before the full Parliament gives its final endorsement at the beginning of 2010.

Greenpeace & EREC launched [R]enewables 24/7, a report outlining a vision for integration of RES in grid infrastructures

The existing electricity transmission and distribution system was mainly designed and planned 40 to 60 years ago. Grids were built around large power plants, with high voltage alternating current power lines to the areas where the power is used. These centralised grid systems run mostly on coal and gas power stations.

However in the future, we need to change the grids so they do run instead on renewable energy, from sources like wind, solar, hydro and biomass. Renewable energy generators are typically smaller and can be distributed throughout the grid, as well as concentrated in large power plants such as offshore wind power plants. Examples of big generators of the future are the massive wind farms in the North Sea and large areas of land covered in concentrating mirrors to generate energy in South Europe or Africa.

The challenge ahead is to integrate new generation sources and at the same time phase out of most large scale conventional power plants, while keeping the power supplied when it is needed. These are the topics addressed in the report. The full report can be downloaded on: http://www.erec.org/fileadmin/erec_docs/Documents/Publications/global%20energy%20grid%20scenario.pdf

2010 EU Energy Policy Agenda

2010 policy agenda will most likely be dominated by 3 issues: the improvement of energy infrastructure, the mid-term review of the EU's budget and a vision towards an energy policy in 2050.

To enhance energy security and facilitate the full implementation of the new RES Directive and the single market for electricity and gas the EU wants to replace the existing Trans-European Energy Networks (TEN-E) instrument by a new "EU Energy Security and Infrastructure Instrument". The instrument should help putting in place the necessary financing for a pan-European smart grid enabling Europe to progress on a flexible, renewable energy based grid system. The Commission will also publish a "Blueprint for a North Sea Offshore Grid", setting up a timetable of actions to interconnect national electricity grids in

North-West Europe together and plug-in the numerous planned offshore wind and ocean energy projects.

A discussion on the mid-term review of the current EU spending programmes will offer the opportunity in 2010 for increasing financing for research and development and deployment of renewable energy technologies. The EU's budget was decided before the adoption of the "Climate and Energy Package", hence before the 2020 targets. These new energy priorities should now be fully integrated in the EU's spending programmes.

Finally, the European Commission intends to propose a New Energy Policy for Europe in Spring 2010 outlining a policy agenda for 2030 and a vision for 2050. This Roadmap will set out actions to decarbonise the electricity supply, end oil dependence in the transport sector, develop a smart grid system and promote nearly-zero and positive energy buildings. EREC clearly sees this as an important tool to make RES the mainstream source of Europe's energy system.