



REPAP 2020

Renewable Energy Policy Action Paving
the Way towards 2020

What happened since the National Renewable Energy Action Plans have been submitted?

In the framework of the [REPAP2020 project](#), EREC together with national renewable energy associations presents an update on the implementation of the 2009/28/EC Directive on the promotion of the use of energy from renewable sources. As a requirement under this Directive, National Renewable Energy Action Plans (NREAPs) have been submitted by EU Member States from June 2010 onwards. EREC together with the national renewable energy associations takes stocks of policy developments since then. Each national briefing has been drafted by the corresponding national renewable energy association. Please click on the links below to know more about the situation in the respective countries:

[Belgium](#)

[Bulgaria](#)

[Estonia](#)

[Germany](#)

[Poland](#)

[Portugal](#)

[Spain](#)

[Sweden](#)

[United-Kingdom](#)



The sole responsibility for the content of this document lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EACI nor the European Commission are responsible for any use that may be made of the information contained therein.



BELGIUM



Fawaz Al-Bitar, Fédération de l'Énergie d'Origine
Renouvelable et Alternative
falbitar@edora.be
www.edora.be

POLITICAL BACKGROUND

Belgium published its NREAP very late (1st of December 2010) due to the absence of federal Government and agreement on burden sharing between the regions of the renewables target. The Belgian NREAP has been often compared to the REPAP Belgian industry roadmap, which is the only integrated scenario developed using the NREAPs template. In this light, the Belgian NREAP is considered to be too conservative: it is often not in line with market development trends of technologies. Moreover, it lacks the necessary measure to reach the mandatory target.

Future renewable developments could be influenced by a possible review of the nuclear phase-out law (phase-out planned between 2015 and 2025) once the new federal Government will be in place (possibly leading to a lifetime extension of some reactors).

RENEWABLE ELECTRICITY

Without any agreement on the burden sharing, the **Walloon regional Government** decided to unilaterally adopt a more ambitious 20% renewable energy consumption target by 2020 (compared to the 13% mandatory Belgian target). The industry roadmap developed by EDORA was instrumental in making the Walloon Government adopt this target, as the regional industry roadmap has shown how the different sectors could collectively reach the 20% renewable energy consumption by 2020. Wallonia also adopted a 8 TWh/year renewable electricity target by 2020, although the industry roadmap assessed the feasibility of a 30% higher target based on current market trends.

In addition, Wallonia decided to develop a 10-year strategy for onshore wind development based - among others- on a 2020 target in line with the EDORA industry roadmap and on a spatial planning combined with a tender system. If this strategy is implemented, the onshore wind installed capacity could be multiplied by 4 in 9 years. Wallonia is currently reviewing its support system (green certificates) to have a technology-specific mechanism reflecting the updated profitability of each technology. The number of green certificates for small-scale PV installation will – for instance- decrease on the technology's entire lifetime. The support system is adapted to control PV developments on the long term.



In Flanders, the Government failed to adopt a mid-term target. It is currently reviewing the **wind onshore** framework to clarify criteria and progressively amend the authorization system towards a one-stop-shop, as asked in the industry roadmap and as already effective in Wallonia. Flanders also decided to alleviate existing constraints to enable the development of larger wind farms.

PV installations have dramatically increased in the last years to currently reach roughly 1.6 m² per inhabitants. The green certificates system in Flanders is regularly evaluated. Flanders has –for instance- planned a decreasing support mechanism for PV, leading to grid parity in 2020.

These trends in Wallonia and Flanders sent a positive message regarding the decreasing costs of renewables. This led in Flanders to a cost reduction of installations of more than 30% over 1 year.

Regarding **offshore wind**, recent installations propelled Belgium in the EU Top-4 offshore wind countries, while the offshore wind 2020 target remains at 2000 MW. The offshore wind spatial planning (a single offshore zone devoted to renewables development) prevents economic competition with other activities. In addition, the draft Government declaration mentions the willingness to open a new offshore zone – as demanded in the Belgian industry roadmap - to prepare the post-2020 offshore development.

RENEWABLE HEATING AND COOLING

Heating and cooling sector in both regions lacks clear mid-term strategy for renewable energy development. In Flanders, a Green heat action plan has been developed to propose a specific support system, responding to one of the industry roadmap demands. In Wallonia, a strategy is under development and still focused on sustainability, importations and conflict uses. However, no specific support mechanism, target or district heating planning has been developed in these regions.

BULGARIA



Velizar Kiriakov

APEE- Association of Producers of Ecological Energy

info@apee.org

<http://www.apeebg.org/en/>

While Bulgaria became in 2007 an interesting market for renewable energy investors, the new Renewable Energy Law introduced in April 2011 drastically changed these promising developments.



The **legislation** had to be amended to comply with the Directive 2009/28/EO and to streamline the investment process in renewable energy technologies. Yet, it did the exact opposite and literally stopped any further projects.

The good: Introducing opportunity for consumers to become domestic producers of renewable energy (art.24) by installing a small wind turbine and/or photovoltaic installation on the rooftop or in the building's yard (the previous law had forbidden installation of wind/PV systems in 500m proximity of settlements).

The bad:

- Shifting the burden for grid enforcement and expansion onto producers by charging a fee of €25.000 per planned megawatt when signing a preliminary contract;
- Fixing the prices to be paid to RES producers at the time the installation is built, and not when the preliminary contract is signed, as was proposed in the original version of the law;
- Decreasing the length of the long-term power purchase contracts from 25 to 20 years for solar and from 15 to 12 years for wind;
- Aim at capping solar and wind developments to meet only the minimum quantities required in the RES Directive with the excuse of aging and over-burdened grid.

RENEWABLE ELECTRICITY

Despite the increase in electricity traded at freely negotiated prices with 15% from 2009 to 2010, Bulgarian energy deficit has increased by 41% in 2010. The monthly average prices of balancing energy has increased from 75, 15€/MWh to 79, 30€/MWh for the 2009-2010 period.

The RES capacities are 22% of the aggregate installed capacities. The RES produced electricity is 12,28% of the gross final electricity production.

RENEWABLE HEATING AND COOLING

Not much has been done in the heating & cooling sector. The country relies mainly on low-efficient technologies for domestic use of solid biomass (burning of firewood). Still there are no operational biomass power plants of material level (excluding small domestic installations for pellets burning).

RENEWABLES IN TRANSPORT

According to preliminary information by the Ministry of Economy, Energy and Tourism in 2010, biodiesel consumed in Bulgaria represented about 38 911.13 tons. In the previous two years, the quantities were respectively 4260 tons and 6566 tons. 21,9% of the estimated quantities used are pure biodiesel and the rest are mixed with diesel fuel of petroleum origin. There are no specific measures to introduce electrical vehicles.



ESTONIA

Rene Tammist

Estonian Renewable Energy Association

rene.tammist@taastuvenergeetika.ee

POLITICAL BACKGROUND

The March 2011 general elections gave the right-wing coalition Government the mandate to continue and the new Government came into office in April 2011. One of the topics during the elections was the renewable electricity support scheme. The scheme was presented by the conservative party Pro Patria Res Publica Union and its Minister of Economic Affairs Mr Juhan Parts as corrupt, illegal and unsubstantiated. He campaigned for retroactively abolishing the tariffs for some RES-E technologies (hydro) and cutting the tariffs for the others. Due to the resistance of the Prime Minister (liberal, ALDE, Reform Party) the reform was postponed. However, during the coalition talks, both parties agreed to retroactively cut the tariffs (point 5b of the coalition agreement).

The Estonian Government was one of the last ones to submit its NREAP, which demonstrated its gradual retreat from more ambitious goals towards renewable energies. Whereas its 2009 Electricity Market Development Plan foresees the RES-E development of 900 MW wind power and 260 MW Combined Heat and Power (CHP) plants by 2018, the NREAP cut these goals to 650 MW wind and 69,2 MW CHP by 2020. Even these goals are being revised to further lower the ambitions.

RENEWABLE ELECTRICITY

After opening the electricity market in April 2010 to large consumers (over 2 GWh), further opening is foreseen in 2013. Opening of the electricity market has been in the focus of political arena, as it is expected to lead to substantial increases in electricity prices. Ownership unbundling of Transmission System Operator (TSO) and main state-owned utility Eesti Energia has been implemented in 2010.

Feed-in tariffs and feed-in premiums were first introduced in Estonia in 2007 with the Electricity Market Act (EMA). Feed-in tariffs were set at the level of 74 €/MWh and feed-in premium at 53,7 €/MWh, the former was then abolished with the changes in EMA 2010. Tariffs are common to all technologies. This system created a competition between the technologies for the support, which in turn favors the most mature, lowest cost and most competitive technologies.



The support may be paid for a generated electricity unit within 12 years. The tariffs are paid by the rate-payers and administered by the Transmission System Operator (TSO). EMA also contains a capacity-triggered reduction for wind energy, as the wind power may receive support until support has been paid for a total amount of 600 GWh electricity generated from wind in Estonia.

The Government is currently launching an informal “consultation” of the industry to cut the tariffs both retroactively and for new developments. Retroactive changes involve:

1) replacing the current feed-in premium (54 € MWh) with feed-in tariff at 74 € MWh minus electricity price in Nord Pool for the plants ranging from 10 to 50 MW, hydropower and biomass CHP plants. Power plant below 10 MW may receive up to 86 € MWh minus electricity price. The retroactive reduction in tariffs would range from 16-26 € MWh.

2) introducing a capacity-triggered reduction in tariffs, which is set at 1200 GWh. The Estonian Renewable Energy Association expects the 1200 GWh to be reached in the end of 2012. The cap will be triggered therefore immediately from the beginning of 2013. The cap has been justified by the Government on the basis of Estonia’s overachievement in RES-H&C sector, therefore the Government would lower its NREAP ambition from 1914 GWh RES-E to 1200 GWh RES-E.

The publication of the consultation document has not yet occurred.

RENEWABLE HEATING AND COOLING & TRANSPORT

RES-Heating is supported through investment support to the RES production facilities and to the infrastructure required for the network connection of installations up to 2 MW (power) and 4-7 MW (heat). This is the continuation of a measure that started in 2009 through the Environmental Investment Centre.

The exemption of biofuels from fuel excise duty was abolished in July 2011. Currently the Government is using funds from Assigned Amount Units’ sales (under the Kyoto Protocol) to roll-out the infrastructure for electric vehicles (EV) and provide grants for the purchase of 500 EV until the end of 2011. 500 EV have already been purchased for the use of local Governments.

GERMANY



Bundesverband
Erneuerbare Energie e.V.

Rainer Hinrichs – Rahlwes
BEE- Bundesverband Erneuerbare Energie e.V.
Rainer.hinrichs@bee-ev.de
www.bee-ev.de



POLITICAL BACKGROUND

After the German NREAP was submitted, the Government eventually presented an energy strategy, paving the way for Germany's energy future, with renewable energy being the major source of energy in 2050. The strategy targeted an 80 to 95% greenhouse gas reduction by 2050 and a share of renewable energy of 60% (80% in the power sector) in 2050. The share of renewables in the electricity sector in 2020 should increase to at least 35% - more than 10% below BEE's suggestion. At that time, the Government was still claiming that nuclear power was needed to bridge the gap towards renewables. Thus, the existing nuclear phase-out legislation has been changed by extending the lifetime of existing nuclear reactors. After the nuclear catastrophe in Fukushima, the Government coalition realised that nuclear power was not an option for a sustainable energy supply. Following the German public opinion, which was and still is strongly opposing nuclear power, the complete **phase-out of nuclear power by 2022** has been decided and several laws were adopted which should trigger the shift towards a renewable-energy-based energy supply. As it seems now, Germany is likely to reach and even exceed the 18%-target for 2020. For fully tapping the potential of renewables, which could lead – according to BEE's industry roadmap –to a 28% share in final energy consumption in 2020, additional and improved policies have to be designed and implemented.

RENEWABLE ELECTRICITY

The regular revision of the Renewable Energy Law (EEG), which was due end of 2011, was accelerated and included in the legislation package accompanying the nuclear phase-out. Building on the Government's energy concept, a target of at 35% renewable energy in the electricity sector in 2020 was introduced in the law. BEE's suggestion to increase the target due to the phase-out was not accepted. Earlier decisions about reducing tariffs for solar PV and increasing degression rates for PV were integrated and further strengthened in the amended law. Despite some improvements (e.g. for offshore-wind and for geothermal energy), there are various changes to the EEG, which seem to be either insufficient (e.g. for grid development, repowering of onshore wind, developing of storage or for market integration of combined renewable power production) or leading in the wrong direction ("flexible market premium", changes in "green power privilege", allowing easier curtailment of wind power and introducing it for PV). Future amendments will have to improve support for onshore wind in Southern Germany. Effective incentives for system and market integration of renewables will have to be designed, including the development of a new market design to allow for dominating shares of variable renewables in the next few years.



RENEWABLE HEATING AND COOLING

For the heating & cooling sector, no regulatory and/or financing progress was achieved. The market incentive programme has been maintained with a budget increase. However, the necessary shift to a budget independent instrument has not been implemented (although the discussion is still ongoing in the context of the 2012 amendment of the Renewables Heating Law). Discussions about introducing tax deductions for renewable energy in heating & cooling were still ongoing, when this paper was finished (but not very likely to be agreed on).

RENEWABLES IN TRANSPORT

In the transport sector, the stagnation at a level of 5.7 % of biofuels continued. No appropriate support for pure biofuels is in place. Theoretically, there is an overall quota, constant at 6.26% until 2015, and then increasing to reach greenhouse gas reduction and the 10% target in 2020. However, the failure to successfully introduce E10 leaves many questions open about the effectiveness of the blending quota, which seems to favour imported biomass over domestic production. For e-mobility, no systematic support is in place.

ITALY



Joel Zunato

Associazione Produttori Energia Da Fonti Rinnovabili

Zunato@aper.it

<http://www.webaper.it/>

POLITICAL BACKGROUND

Political weakness and financial instability have increased difficulties to implement the Italian strategy to reach the 2020 targets. The NREAP was not seen as a strategic turning point by legislators and by the Government: It is a descriptive document without a strategic view on the future. Recent events such as PV growth and the refusal of new nuclear power plants in a referendum in June 2011 should lead Italy to rethink its electricity target for 2020.

RENEWABLE ELECTRICITY

Political initiative on RES in Italy is currently driven by cost concerns due to the constant growing of PV FIT costs on the electricity consumer bills:



The 2020 PV target set in NREAP is 8.000 MW. However, in October 2011 PV plants reached 11.000 MW installed capacity. The new FIT, entering into force in June 2011, has set a new PV target of 23.000 MW installed capacity by 2016. This could be a good opportunity to discuss new target and new policies for instance on renewable heating which suffered from a lack of attention in the last year.

Currently, the planned renewable electricity production in 2020 is 98 TWh (26% of total consumption), while this share could rise to 150 TWh (40% of total consumption). This opportunity is within the reach of Italy. However, decrees on new incentives for RES (wind, biofuels, bioenergy and solar thermal) are stuck by Government difficulties, which in turn delay the full implementation of the Renewable Energy Directive.

RENEWABLE HEATING AND COOLING

Regarding renewable heating and cooling, the legislative decree 28/2011 that entered into force in March 2011, sets new requirements from May 2012 for thermal energy production in new buildings or major renovation. The energy used for hot water systems, heating and cooling must be obtained from plants using renewable sources from 50% in 2012 to 100% of expected use by 1 January 2017.

Two decrees were adopted on Combined Heat and Power: the first one (DM 4/08/2011) integrates the legislative decree 20/2007 on the promotion of cogeneration, and redefines the cogeneration technologies, the method for determining the efficiency of the cogeneration process and establishes the efficiency reference values for separate production of electricity and heat. The second decree (DM 5/09/2011) defines the new support system for high efficiency cogeneration. The incentive, which depends on the real primary energy savings, is based on the “White Certificates”.

Finally, in the last Government’s act, the so-called “development decree”, there is the possibility to extend the tax deduction for building’s energy renovation. The measure, which is not yet in force, proposes the extension to three years of a tax deduction of 55% on building’s energy renovation costs.

RENEWABLES IN TRANSPORT

Regarding electric mobility, the Regulatory Authority for Electricity and Gas issued significant deliberations (ARG/elt 242/10 and ARG/elt 96/11) to improve this new market. Its rules support charging infrastructures for electric vehicles and plan the realization of pilot projects. ENEL takes part to one of these projects in the Hera and Emilia Romagna’s Region to realize a distributor’s network for electric cars on a 170 km-distance. This is the first project of suburban electric mobility.



POLAND



Michał Cwil, Polish Economic Chamber of Renewable Energy

michal.cwil@pigeo.pl

www.pigeo.pl

POLITICAL BACKGROUND

The Polish Government announced in the NREAP- adopted in December 2010 - the implementation of the RES Directive through a separate act on renewable energy sources. Its adoption, along with executive acts, should have taken place on 5 December 2010. However, the preparation of the draft Act is taking longer than expected. According to PIGEO, the full implementation of the Directive will take place only in the second half of 2013. For this reason, the newly elected Government will have to adopt a stable and predictable support scheme allowing significant investments to take place in a shorter time.

According to PIGEO, renewable energy in gross final energy consumption reached 8% in 2010 (approximately 5000 ktoe).

RENEWABLE ELECTRICITY

Renewable energy in gross final electricity consumption reached about 7% in 2010. Regarding the electricity sector, biomass used in cogeneration is still dominating. In 2010, approximately 50% of green certificates (ca. 5 TWh) were issued for electricity from cogenerated biomass. Hydropower still has a significant share in the electricity production. A considerable growth in wind installed capacity is also worth noticing.

One positive thing is the adoption of a Regulation by the Ministry of Economy on 26th of July giving the possibility to integrate agricultural biogas in gas distribution network. The regulation provided the algorithm for calculating biomethane into equivalent electricity supported with so-called brown certificates.

RENEWABLE HEATING AND COOLING

Renewable heating and cooling in gross final energy consumption is about 12% in 2010. Renewable heating and cooling represents almost 90% of renewable energy used in 2010. It mainly consists of solid biomass in off-grid units (approximately 95% of renewable heating). The rest come from on-grid sources based on solid biomass, heat pumps and solar collectors which saw their market shares increasing.



RENEWABLES IN TRANSPORT

Regarding renewable energy in transport, Poland only produces first generation biofuels (bioethanol and biodiesel). Renewable energy in final energy consumption in transport represented ca. 5.6% in 2010.

PORTUGAL



Isabel Cancela de Abreu,
ASSOCIAÇÃO PORTUGUESA DE ENERGIAS
RENOVÁVEIS

apren@apren.pt

www.apren.pt

POLITICAL BACKGROUND

Portugal has a new Government since June 2011. The previous socialist Government, in office since 2005, was very pro-renewables, which helped the development of the sector. The new Government wishes to distance himself as much as possible from the policies of its predecessors, and has chosen energy efficiency as the pitch for the future energy policy, and focused all policies on a cost analysis basis.

Moreover, Portugal signed in May 2011 a Memorandum of Understanding (MoU) that details the general economic policy conditions on granting financial assistance to Portugal from the European Financial Stabilization Mechanism. The MoU entails specific measures regarding RES support schemes, namely 1) "Review in a report the efficiency of support schemes for renewables (...); 2) "For existing contracts in renewables, assess in a report the possibility of agreeing a renegotiation of the contracts in view of a lower feed-in tariff."; 3) "For new contracts in renewables, revise downward the feed-in tariffs (...); 4) "Decisions on future investments in renewables, in particular in less mature technologies, will be based on a rigorous analysis in terms of its costs and consequences for energy prices."; and 5) "Reduce the delays and uncertainty surrounding planning, authorization and certification procedures and improve the transparency of administrative requirements and charges for renewable energy producers (in line with Article 13 and 14 of EU Directive 2009/28/EC). Provide evidence of the measures taken to this end." The MoU also states that VAT for electricity should be put at the maximum rate, which corresponds to an increase from 6% to 23%. This measure was put in place on the 1st of October 2011.

RENEWABLE ELECTRICITY

Following the MoU end of July 2011, the Government has started a negotiation process with electricity producers, to find a solution to contain electricity prices. (On top of the VAT increase, electricity prices are expected to increase substantially to accommodate the increased production costs which occurred last year due to an underestimation on the fossil fuel costs). Solutions were



discussed, but no official position was taken so far, which has caused massive speculation and instability in the sector, with the media publishing contradictory articles every week. The energy regulator must set the regulated electricity prices for domestic consumers until the 17th of October. This means that the scheme preventing the expected increase must be set by then.

The economical and financial crisis is being strongly felt in Portugal. RES-E promoters face severe difficulties in financing new projects, aggravated by the regulatory uncertainty. Many projects are likely to be delayed or even dropped.

Recently, an “Energy and Environment Working Group” has been created to tackle some of the barriers encountered by RES-E promoters, and implement measures foreseen in the NREAP until the end of 2011. For example the one-stop-shop is an issue that has been on top of the group’s agenda, and therefore some hope resides on the outcomes of this group.

RENEWABLE HEATING AND COOLING

Regarding heating & cooling, no new measures to promote this sector were put in place, and the State Budget for 2011 has drastically limited tax deductions for domestic solar systems.

RENEWABLES IN TRANSPORT

For the transport sector the Directive’s targets were transposed into national legislation. The 6.75% share in volume of FAME biodiesel is expected to be achieved by the end of the year (although biodiesel incorporation has reduced alongside diesel consumption), but the fulfillment of the overall target of 5% of biofuels in terms of energy content is still to be seen.

SPAIN



Mischa Bechberger, Spanish Renewable Energy Association
mbechberger@appa.es
www.appa.es

The most striking result regarding the evolution of the RES policy framework, since the handing over of the Spanish NREAP, is the tendency to lower the ambition of the RES targets. This endangers the fulfillment of the binding 2020 RES Spanish target of 20% via two elements:



- Decreasing the overall RES 2020 target set in the Spanish NREAP from 22.7% to 20.8% as indicated in the final draft of the new Spanish RES Plan 2011-2020 (Plan de Energías Renovables, PER) presented end of July 2011.
- Lack of measures to comply with the targets, mainly on energy efficiency, heat, transport and biofuels. Concerning renewable electricity, some technologies are faced with retroactive measures (see below). The energy efficiency scenario of the new PER, which is the basis for the establishment of the different targets of the plan, takes for granted the fulfillment of a new Energy Efficiency Plan 2011-2020 recently presented by the Spanish Government. This plan currently lacks any public financing. Without the adoption of the proposed energy efficiency and saving measures in the plan, the reaching of the 20% RES target in 2020 will be clearly failed (only a 17.4% would be reached) as shown in the new PER.

RENEWABLE ELECTRICITY

Since the presentation of the Spanish NREAP, the Spanish RES electricity sector has been confronted with several regulatory issues. These drastically reduced the remuneration of PV installations (up to 45%) and included retroactive measures. Retroactive measures limited the right to perceive the feed-in tariffs or premiums to a limited amount of operating hours for nearly all existing PV, wind and CSP installations. These were especially restrictive in the case of PV installations. Retroactive measures also included the reduction of the premium for existing wind installations by 35% for the next two years etc.

These steps have been clearly criticized by the EU Commissioners for Energy and for Climate Action, Oettinger and Hedegaard, in a letter to the Spanish industry minister Sebastián in February 2011 highlighting the importance of a stable and predictable policy framework and Member States' legal obligations.

Legal action has been started against this legislation. Nevertheless, the Spanish Government presented in late September 2011 the first draft of a new wind promotion scheme for 2013 which would reduce wind tariffs by up to 40% , thereby not respecting the guarantee of a reasonable return of investment established in the current Spanish law on the Electricity Sector. The same draft also foresees a very opaque system of capacity caps, which goes against the Renewable Energy Directive requiring streamlined administrative procedures. Moreover, there is so far no legislation on self consumption of RES electricity. And the draft legislation to facilitate permitting procedures for small RES-E installations, required by the RES-Directive, is still not approved by the Spanish Government.

RENEWABLE HEATING AND COOLING

The latest official draft of the new PER- which was open for consultation- proposes a new RES Heat Incentive "ICAREN", which would be paid to ESCOs allowing them to amortize investments in energy efficiency/saving measures for their customers. However, the new PER does not allow for a combination of this new incentive with other investments aids, while for certain RES-E technologies, it is possible to combine investment subsidies with the remunerations paid for electricity production.



Furthermore, as ICAREN is only foreseen to be paid during the first 10 years, numerous energy efficiency/saving investments would not be made due to longer amortization periods. But the main issue with ICAREN is that it should promote only heating installations but no cooling installations despite a huge cooling potential. Furthermore, a Royal Decree would have to be elaborated to establish a promotion scheme like ICAREN. This can take years to be approved.

RENEWABLES IN TRANSPORT

Since the adoption of the Spanish NREAP, there have been significant developments in the Spanish biofuels sector with mixed effects on national producers:

- The Government reduced the mandatory 2010 target for biofuels consumption from 5.83% to 4.78%, causing serious economic losses to the biofuels sector.
- The package of reforms adopted by the Government in March 2011 established biofuels targets for the years 2011-2013 of respectively 6.2 % (cal.) for the year 2011 and 6.5% (cal.) for 2012 and 2013. This is a positive development: These objectives are higher than the objectives set in the NREAP for the same years, even though the target for bioethanol does not reflect its consumption potential.
- The latest official draft of the new PER reduces the target for RES in transport set in the NREAP from 13.6% (cal.) to 11.3% for the year 2020, without providing any justification. This makes in some cases the positive incentive measures for biofuels consumption proposed in the NREAP almost irrelevant.

SWEDEN



SERO- Swedish Renewable Energies Association

Göran Bryntse

goran.bryntse@fabulo.se

www.sero.se

POLITICAL BACKGROUND

Sweden has the best prerequisites for renewables in the EU with vast areas of forests and a lot of hydropower. The EU goal for RES in Sweden, 49 %, is thus easily achieved and as a matter of fact, already fulfilled. According to a recent presentation by the European Commission at the EUFORES meeting in Stockholm, Sweden had already achieved in 2009 the 50 % goal of the Swedish Government set for 2020. Therefore, the Swedish Government has set very low ambitions in its NREAP.



According to SERO's analysis in the framework of the REPAP2020 project, Sweden has the lowest ambitions in the EU concerning e.g. photovoltaic and energy efficiency. However, the newly elected Government has higher ambitions. This change of Government, including the coming to power of the new environment Minister Lena Ek, will probably mean a better policy for renewables.

RENEWABLE ELECTRICITY

The current electricity price is about 4-5 eurocents/kWh in spite of the fact that six out of ten nuclear reactors are off. There are doubts about the future expansion of renewables if Swedish nuclear power will reach normal efficiency. Wind power producers currently struggle with the fact that green certificates reached historically low values: 2 eurocents/kWh. Moreover, the special Swedish tax on wind power cooperatives is an obstacle to new investments in wind power.

The new cooperation with Norway on a joint green certificates scheme will most probably make it less attractive to invest in wind and hydropower in Sweden as it is considered to be much cheaper to build in Norway. Additionally, Finland recently introduced a more favourable support for wind power than Sweden which has led to the fact that some wind power investors have moved to Finland.

RENEWABLE HEATING AND COOLING

Renewables for heating is increasing steadily due to the expansion of bio-based district heating and heat pumps. No more support for these technologies are needed in Sweden. However, there is no support for solar heating solutions in buildings and there is no target for passive houses in Sweden.

RENEWABLES IN TRANSPORT

Sweden will easily reach the 10 % RES in transport target. However, the expansion of biogas and ethanol cars is rather slow. The allowed mix of ethanol in standard gasoline has been raised slightly from 5 to 7,5 % but the support for ethanol cars has been taken away. Some companies have introduced biodiesel, e.g. mixing limited amount of biobased oils in standard diesel increasing the percentage of RES. It is anticipated that new technology will dramatically change the Swedish transport situation in 2020. Hybrid cars will probably be sold frequently in the end of this decade.



UNITED KINGDOM



Tricia Wiley, REA- Renewable Energy Association

twiley@r-e-a.net

www.r-e-a.net

POLITICAL BACKGROUND

The new coalition Government came into office in May 2010. It submitted its NREAP promptly, and a “Renewables Roadmap” (published in July 2011) updated its thinking. The most significant change was to increase the contribution anticipated from power generation from biomass. Energy from Waste and Anaerobic Digestion are also particular interests.

Being the “greenest Government ever” was a pledge made immediately after taking office, but commentators are increasingly questioning whether this will match the reality.

The electricity market is due to be reformed, bringing in feed-in tariffs with contracts for difference for nuclear and CCS and performing the role previously played by the Renewables Obligation. A new planning regime is also taking shape. Both have been controversial.

RENEWABLE ELECTRICITY

Larger scale power generation – the Renewables Obligation

Banding levels applicable from 1st April 2013 were due to be consulted upon in the summer and decided upon in the autumn, to give industry “certainty a full year ahead of the previous timetable”. The expectation given by civil servants was that the 2013 bands would be written into the 2012 legislation.

The publication of the consultation document has not yet occurred. The leading Sunday broadsheet (9th October) talked of disagreements between the Prime Minister and Chancellor of the Exchequer as a reason for the delay¹.

Smaller scale power generation – the Feed in Tariffs

Costs for PV have decreased faster than anticipated by Government and the combination of far greater than expected deployment and capped spending budget has caused great tension. An

¹ Page 2 Sunday Times: “Osborne angers number 10 by stalling green energy boost”



emergency review reduced the tariffs for PV over 50kW from August. A comprehensive review is due shortly (and again, is delayed). It is anticipated this will reduce tariffs dramatically, unless additional funding is provided.

RENEWABLE HEATING AND COOLING

The Renewable Heat Incentive was due to start at the end of September, but has been delayed on State Aids grounds by the Commission. The objection relates to the methodology used to calculate one particular tariff (biomass 1MW and over). A further announcement is expected shortly. The revised scheme will need to be approved by Parliament, a process which is likely to take 2 months. This may also have implications for the start of 'phase two', which is due to add new technologies/scales and extend the scheme to households.

RENEWABLES IN TRANSPORT

The Renewable Transport Fuel Obligation (RTFO) began in April 2008. Although the Renewable Energy Directive was published in June 2009, the UK Government did not consult on its transposition into UK law until March-June 2011. The amended RTFO is due to come into effect on 15 December 2011. The details are still not clear, although it will not set out the trajectory to reach the target of 10% renewable transport by 2020. This is unlikely to be finalized before 2013.