1.- Renewable energy sources Directive proposal

This position paper is based on consultation with the members of FEDARENE, the European Federation of Agencies and Regions for Energy and the Environment, and is in response to the proposal for the Renewable energy sources Directive, released on November 30th 2016

2.- Summary of recommendations

- **Main Objectives**
  - To extend the main Directive goal from 27 to 30% RES participation over gross final consumption as a binding target
  - Obligate each MS to establish their own national objectives (detailed in electrical, thermal and transport by RES)

- **Funds allocation**
  - Diversify public support not only in investment but also in communication, Research, Demonstration & Innovation and business competitiveness.
  - Give the possibility to allocate part of the EU funds dedicated to RES support in successful geographical areas as an incentive to MS and regions or to reserve some specific funds for communication as a percentage (0,1%) of energy costs.

- **Electricity from RES.**
  - Defense from accusations related to electricity from RES support schemes with a more equable position as economic distortion; non attending economic signals or obeying basic market rules; etc., putting in context some affirmations, wide the sources of financing, not only by market price.
  - To maintain the same grid accessibility, priority access and dispatching of previous directive.
  - Certain flexibility should be allowed to MS related to future changes of support schemes.

- **Renewable energy communities.**
  - Allow local and regional bodies to be partners, developing the roles of the participants differentiate between energy consumers, suppliers or others as stakeholders.
  - Suggested to downsize to 2 MW and voting rights according to the energy participation percentage.

- **Heating and cooling.**
  - It's suggested enhances in the “implementing entities” activities as to report the facilities characteristics.
  - It would be necessary an article 23 relevant revision, with an specific development of public actions that include new measurements (to act at local, regional and national level, make “bankables” projects, work with stakeholders, encourage confidence consumer - installer, etc.) many of them also presented in “EU Strategy on Heating and Cooling”
  - It would be need a more neutral treatment about district heating. Nevertheless DH is an opportunity tool for local authorities.

- **Business and technological development and innovation**
Propose an new article about business and technological development and innovation that works to consolidate current European leadership, defining priority lines or fixing a percentage of the funds to these matters.

**Biomass environmental considerations**

- A meticulous analysis / control of the biomass as energy raw material for energy uses is observed, which provokes a restricted series of requirements / obligations with unequal results at the territorial level.

  - In order to minimize such a situation, a combination of the following solutions could be made:
    - To flexibilize the requirements of fulfillment in different dates and MS according their development.
    - To allocate a bigger amount of E. U. funds to support those MS with less development.
    - Extend the fulfillment of these requirements to any use of these raw materials.
    - Maintain the production of conventional biofuels making a transition with advanced biofuels.

**Statistics**

- Stating limits to statistical transfers to 15% to encourage MS to develop their own RES markets
- Consider passive energy solar systems as renewable one
- Include “market information” in the national reports
- Disincentive any kind of labor, economical, etc, dumping in transferences from non-EU countries.

**Administrative procedures**

- To state reliable (and none discouraging for consumers) public records of RES installations.
- Administrative charges not only would be transparent and cost-related but also would be bureaucratically “friendly”.
- Clarify the responsibility of public administrations in the duration of the whole administrative procedure
- Introduce a fixed administrative period for “small projects”, extending their size from 50 kW to 100 kW

**To extent analysis more far than only economic or investment concepts.**

- Expand the concepts analyzed more far than investments or capital costs items
- Act with the principle “first minimize energy consumed and then maximize RES contribution.... after a wider cost - benefit analysis”

**Regional and local entities relevance**

- Clarify the administrative level competence of each support scheme, giving more relevance to regional and local entities in the management / supporting of renewable energy projects.

**Avoid consolidation of fossil fuel consumption**

- Eliminating any kind of concepts that direct or indirectly involve a support or a consolidation of fossil fuels consumption (e. g. through a positive presence of high efficiency cogeneration)
• Miscellaneous
  o Introduce the concept of energy urbanism as an item to be necessarily to have into account
  o To extend the type of self-consumer to industry or tertiary sector

3.- General comments

3.1.- Main Objectives
It is considered that 27% RES participation over gross final consumption in 2030 (Article 3) could be a humble objective. In the other hand, there are no technical limitations that forbidden to increase this percentage until 30%, providing a similar marketing effect as 20% when it was used in 2020 objectives. The presented Directive has eliminated the national objectives (Articles 5 and 25), this fact will obviously relax the member states commitments, which actions and results will not be compared with any assumed objective. These objectives could be differenced by electricity, biofuel for transport and heating & cooling. FEDARENE calls to extend the main Directive goal from 27 to 30% RES participation over gross final consumption and to obligate each MS to establish and commit its own national objectives (divided by electricity, fuel for transport and heating & cooling) recovering the content of the previous directive.

3.2.- Funds allocating
In general terms, the directive considers the necessity to maintain the public support to RES market. Our consideration is that ought to exist a process in which almost all public supports would disappear in long term. During this process, the funds would be progressively reallocated to specific concepts as communication and publicity; technical research and development; and improvement competitiveness business, encouraging differently to those more successful MS and regions. These ideas mean modifications in articles 3, 5, 15, 18. FEDARENE calls that public support could not be mainly allocated in RES investments. It ought to be considered to diversify, among others concepts, in three main ones such as a) communication and publicity, b) technical research and development, and c) improvement competitiveness business.
In the other hand, FEDARENE proposes the possibility to allocate EU funds in the successful geographical areas as an incentive to MS and regions or to reserve some specific funds for communication as a percentage (0,1%) of energy costs.

3.3.- Electricity from RES.
3.3.1.- Defense from accusations related to electricity from RES.
Article 4 about renewable electricity is, surprisingly, an unjustified and indiscriminate attack against the support schemes accusing them of: a) economic distortion; b) non attend economic signals; c) doesn't obey basic market rules; d) non open, transparent competitive, etc. and finally…; e) lack of effectiveness. Electricity market in Europe is diverse in their facts and history, with problems as national oligo or monopolies that affects the normal competitiveness of a sector, or the way that environmental costs are included, or not, in the electricity bill. In many MS the non-renewable electric companies have provoked
episodes of economic distortion, non-attend economic signals, etc. in more big scale that was be done by renewable electricity activities in the past.

This doesn’t means that renewable electricity support schemes would be perfect or is need to be modified, but the text of the directive couldn’t reflect this apparent partial point of view.

The directive reflects the criteria that renewable energy producers must respond only to market price signals and maximize their revenues mainly from electric pool market, however the market signals not only must be the price. Concepts as grid stability, environmental effects or long term competitiveness, are also market signals that must be considered.

In the other hand, some concepts as “transparent”, “competitive”, etc. are open to different interpretations especially in their graduations, so additional clarifications would be necessary.

FEDARENE related to electricity from RES, calls for a more equable position, putting in context some affirmations, wide the sources of financing, not only by market price, and to establish practical criteria that could facilitate the correct interpretation of terms as “open”, “transparent” or “effectiveness”

3.3.2.- Grid accessibility, access and dispatching.

The priority to grid access for renewables has been one of the most relevant elements in their development. If the final objective of this directive is to increase the RES energy production or capacity share, the unique coherent concept will be the aforementioned priority; otherwise, it would be encouraging the fossil fuels consumption or the implementation of new capacity that will minimize the future renewable installations.

FEDARENE calls for maintain in article 20 the text of previous directive, which gives preference to access, dispatch and connection to renewable electricity.

3.3.3.- Changes of support schemes

The directive proposal (Article 6) rules that MS supports to renewables will not “revised in a way that negatively impacts the rights”.

If a reliable regulation and legal scheme are the undoubtedly foundation of a healthy investment ecosystem that must be protected, the possibilities that a MS suffers an economical turmoil that reassign the public funds priorities would be considered, case by case, to introduce certain flexibility in the way that directive proposal manage the situation of “future revision of supports”.

FEDARENE calls for to state, case by case, certain flexibility with MS and only under special circumstances or force majeure related to future changes of support schemes

3.4.- Renewable energy communities.

The directive introduces, in Article 22, this hopeful scheme of energy self - management, defining some of its characteristics and possibilities.

However, some items would have to be improved to take into account local and regional bodies as partners, enhancing the definitions allowing different roles (consumers / suppliers / others) for business or individuals and a decision process by voting that takes into account the energy weight of each community partner.
In relation to the size of the community, it would be advisable to fix it in 2 MW. The maintenance of the figure of 18 MW / year means that, in five years, it could have installed a maximum of 90 MW, which would mean investments accounted for in terms of hundreds of millions of euros. A large enough amount of money to correspond to SME, an NGO or an organization whose decision falls on 51% of individuals. FEDARENE calls for a description of the renewable energy communities that allows local or regional institutions to take part, being advisable to more clear definition of the participant role, a more manageable size (downsizing it from 18 MW to 2 MW) and rules of voting more according to the members’ energy participation in the community.

3.5.- Heating and cooling.
The Article 23 related to heating and cooling development is, surprisingly scarce, taking into account the EU strategy on this matter launched in January 2016, as well as some concepts could to be mixed.
Related to implementing entities, could be advisable extend the range of the information given by them to basic characteristics of the existing facilities in order to have a better knowledge of the sector and the possibilities of future development
While in the text of Article is clear the objective, point 3 and 4, could to be mixed. In this way, it would be suggested that point 3 could present the “technical way” to get more renewable energy through installing more devices or feeding directly buildings, industries or primary sector installations.
Point 4 could present public actuations that helps to get this new renewable power capacities, divided in aspects as economics, public knowledge, installers empowering or vertebration and including concepts from the “EU Strategy on Heating and Cooling” (act at local, regional and national level, make projects “bankables”, work with stakeholders, etc.) or other ones (avoid direct subsidies, encourage confidence consumer - installer, etc.).
Finally, the favorable treatment given to district heating (Articles 2 and 20) seem a "pensée unique" (single thought) approach. Taking into account the obvious benefits of this type of installations, the impossibility or extreme difficulty to develop these kinds of thermal grids in some areas or for certain consumers types, or future technological developments that could question the district heating leadership, it would be advisable a more neutral treatment about this thermal facilities.
FEDARENE calls for a very relevant revision of the important Article 23 related to heating and cooling, tuning and expanding the implement entities activities, differing concepts between technical ways (pto. 3) and public actuations (pto. 4) in order to fulfill the objectives. Actuations, that ought to be enough developed in the directive text and would includes new ideas, many of them presented in “EU Strategy on Heating and Cooling”
In the same sense, it would be need a more neutral treatment about district heating in articles 2 and 20

3.6.- Business and technological development
It seems that an E. U. Directive must have specific references to business and technological development, especially in an area, renewable energies, where is pretended to have a world leadership.
So it would be advisable a new Directive Article that express ideas as: to consolidate actual global leadership, fix an percentage (e.g. 15%) of all the funds to improve business capacity & competitiveness
technological development or establish several priority lines related with technological (cost reduction, adaptability, etc) and business (internal processes improvement, financing, marketing, etc.) subjects. FEDARENE calls for an all-new article related with business and technological development with ideas concerned to global leadership, definition of priority lines or fixing a percentage of the funds to these matters.

3.7.- Biomass environmental considerations

In the three analyzed articles (Arts. 26, 27 and 28), a detailed and meticulous analysis / control of the biomass as raw material for energy uses is observed (but not related to manufacture and use biofuels in Europe).

From there, a series of requirements / obligations are established. These obligations are in generally protectionist in order to achieve a very correct and optimized use of these raw materials and the spaces / lands from which they are obtained and to assure a sustainable growth of biomass. Therefore, they have to be seen as something positive for the development of Europe in the present century.

However, the impact of this new guideline is likely to be unequal at the territorial level. Since those countries that already have a high development of the sector will have more strength to face compliance with the new guideline, since they already have many more years of experience during which nothing similar has been demanded. By contrast, in other countries where the sector is still in its low TRLs, there will be a certain break in the evolution of the sector.

In order to minimize such a situation, a combination of the following solutions could be made:

- To force the fulfillment of the requirements in different dates according to the degree of development of the sector in each MS.
- Do not demand the same degree of fulfillment of the requirements to all the MS.
- Extend the fulfillment of these requirements to any use of these raw materials, and not only to the energetic uses.
- To allocate a greater amount of European funds to support those countries with less development of this sector, so that they can be placed at the same level as the most developed ones.
- Maintain the production of conventional biofuels in such a way that with its benefits the research in advanced biofuels will be strengthened and, gradually but in the long term, the second ones will increase with mandatory objectives.

FEDARENE calls for a more flexible application to European biomass regulations in terms of dates, requirement fulfillment for all MS and extend these regulations to other non-energy uses. Related to funds, it would be advisable to use the European ones to support those countries with less development and those generated by the production of conventional biofuel to finance the advanced biofuels research.

3.8.- Statistics

The directive does a specific and broad development to define statistically the amount of renewables used and produced in the EU. However some technical comments could be done.

- In multi-fuel plants using renewable and conventional sources, the measurement of electricity or heating and cooling produced ought to be defined through annexes due its complexity (Art. 7).
• The contribution from "thermal energy generated by passive energy systems" or energy provided by indigenous sources of energy should be counted on, because sometimes a passive system of energy is, at the end, a solar system that integrates a collector, an storage and a distribution. In this way, an additional annex could be necessary to establish the limits (Art. 7).

• In Joint projects between MS, not only heat, or electricity can be exchanged, but also biomass or biofuels can travel giving the convenience to a change in the original text (Art. 9).

• In statistical transferences from non-EU countries some safeguards and additional information requests ought be introduce to disincentive any kind of labor, economical, etc, dumping (Art. 11).

• In the statistical report that MS must send to the commission (Art. 15. 8) it would be highly advisable some additional information about national RES market as normative procedures, consumption capacity, level of interconnected grids, etc.

In the other hand, a limit (e.g. 15%) to the statistical transferences between MS could act as incentive to these MS to increase their commitments with the RES development (Art. 7).

FEDARENE calls for to consider passive energy systems or energy provided by indigenous energy sources taking into account in the statistics in a proportionate way, disincentive social or economic dumpings in statistical transferences from non-EU countries, limit the statistical transferences between MS or include “market information” in the national reports

3.9.- Administrative procedures

Related with the administrative procedures, Directive claims correctly for non-disincentive process or costs. However, some additional safeguards could be done, e.g.:

• to make references to any other kind of environmental, employment, tax, urban, etc. regulation that direct or indirectly affect to the strict procedure (Art. 15)

• to specify the delays due to administration or the applicant (Art. 16),

• to simplify some processes to less than 100 kW installations (Art. 17) and avoiding it for demonstrative projects in which the project complexity could advise not to use simplified processes.

• to extend the concept that a procedure must be proportionate not only in terms of costs but also in terms of comfort for the owner, installer, etc (Art. 15).

In the other hand, it is considered necessary that the Directive includes as mandatory a new reliable (and none discouraging for consumers) public record of RES installations. This safeguard broadens the knowledge of the MS about the level of development of the renewables and their characterization, thus improving the policies to be applied in these cases, as well as discouraging professional intrusions with their corresponding problems of lack of quality or lack of consumer rights protection

FEDARENE agrees with the Commission worries related to have in Europe administrative “friendly and cheap” procedures with some minor proposals. Anyway, it is considered relevant to state reliable public records of RES installations in the MS or to Clarify the responsibility of public administrations in the duration of the whole administrative procedure.

3.10.- Extent analysis more than only economic or investment concepts
In article 3 the proposal directive states that European Union funds could to be mainly dedicated to “reducing the cost of capital”, however it would be advisable to expand the objective to other costs (e.g. O & M or biofuel acquisition) or concepts, such as, advertising, training support for R&D or business development etc.

In article 15, it is considered that the requirement in MS building regulations must be “the use of minimum levels of” demand, non from RES, as directive proposes. On the other hand and beginning with a minimum demand, the Directive would claim that “Member States shall permit those minimum levels to be fulfilled, inter alia, using a proportion of RES maximum, not relevant, as the directive presents it’s considered that these maximum ought to be studied in relation to cost - benefit analysis of alternatives to which should be incorporated economic, environmental, labor and energy concepts.

FEDARENE calls for expand the concepts analyzed more far than investments or capital costs items. On the other hand it is considered that the main concept in energy is “first minimize energy consumption and then maximize RES contribution…. after a wider cost - benefit analysis”

3.11.- Regional and local entities relevance

It would be advisable more presence of regional and local entities in the Directive always within their competences level. In this way, Article 16 could accept that contact points may be managed by regions or local authorities; Article 19 would extend the concept of supports to national at public, considering that other administrations also promotes support schemes; and Article 15 could clarify that the budget is allocated in a national, regional o local level or in a different kinds of administrative units (Industry, environment, agriculture, urbanism, etc.).

FEDARENE calls for a wider presence of regional and local entities (giving relevance to energy agencies because their previous experience) managing contact points and being recognized officially that they are a source and promoter of public support.

3.12.- Avoid consolidation of fossil fuel consumption.

The Directive presents, directly in some articles (Arts. 15, 19 and 24) and indirectly1 in other (Art. 24), the concept of “high-efficiency cogeneration” as a way to avoid to install RES which its result would be a support or a consolidation of fossil fuels consumption

FEDARENE calls for the elimination of any kind of references that direct or indirectly involve a support or a consolidation of fossil fuels consumption regardless of whether this consolidation be presented as “high efficiency cogeneration” or not

3.13.- Miscellaneous.

Energy demand and the opportunities to use local renewable resources are intimately associated with urbanism, so regardless climate, the way that an American consumes energy in its house, is very different from a Italian in a Tuscany small village or a Chinese worker of Honk Kong.

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1E.g. through Article 2 (41) of Directive 2012/27/EU
In this way it is considered necessary to introduce the concept of “energy urbanism” in the directive (Art. 15) as a concept to be studied to avoid shading conditions among buildings, the possibilities of using energetically ponds, asphalt, parks and fountains that enables microclimates, etc.

Related self-consumption the Directive in its text (Arts. 2 and 21) seems to reduce it to domestic and commercial sector. In this way, it could be advisable to extend this concept at least to industries and tertiary consumers (commercial or not).

The Directive establishes (Art. 15) that MS shall clearly define technical specifications related to supports schemes, being advisable to extend these specifications to the administrative procedures or the statistical work.

MS shall assess the need to develop existing transport fuels network infrastructure to facilitate the integration of biofuel (gas or liquid) from renewable energy sources.

FEDARENE calls for the introduce the concept of energy urbanism as an item to be necessarily studied, to extend the self-consumption to industry or tertiary sector and to use the technical specifications of the support schemes as standard specifications in administrative procedures or statistic works and suggested to give any biofuel the capacity to connect with the distribution infrastructure.

4.- FEDARENE background

FEDARENE is the premier European network of regional and local organizations, which implement, co-ordinate and facilitate sustainable energy and environment policies. Regional and local agencies, ministries and departments working in these fields are represented in FEDARENE.

FEDARENE was created on 6th June 1990 by 6 regional authorities - Rhône-Alpes, Provence Alpes - Côte-d’Azur, Wallonia, País Vasco, Aquitaine and Nord - Pas - de - Calais. Encouraged by different programs of the European Commission, these authorities wanted to make the voice of the regions heard in the debate on energy and environment policies at the European level.

The Brussels Office was created in November 1991 and. now FEDARENE counts more than 71 members in 20 EU MS countries. Since 2008, FEDARENE is part of the consortium of European networks (with CEMR, Climate Alliance, Energy Cities, Eurocities, Iclei) which forms the Secretariat of the renowned European initiative - the Covenant of Mayors for Climate and Energy.

Local and regional governments play an essential role in the implementation of energy efficiency and renewable policies and in achieving the Europe 2030 objectives. They embody the relevant decision-making level in sectors such as transportation, urban planning, buildings and welfare, which makes them the most appropriate level for coordinated actions in energy efficiency and renewables.

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