



EU renewable energy & EU 2020 targets

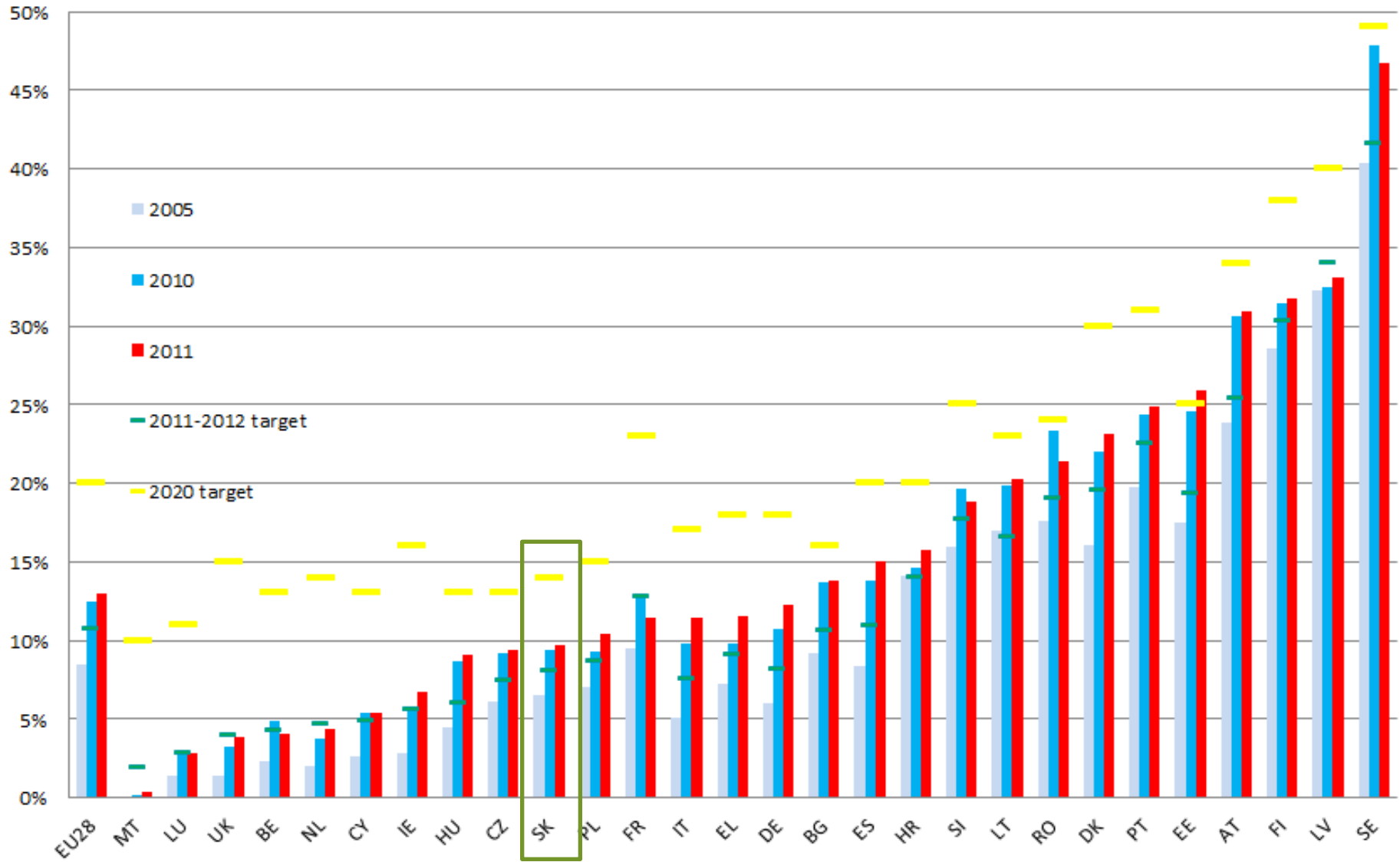
Ruta Baltause,
DG ENERGY, Renewable Energy Unit

National Renewable Energy Action plan Slovakia

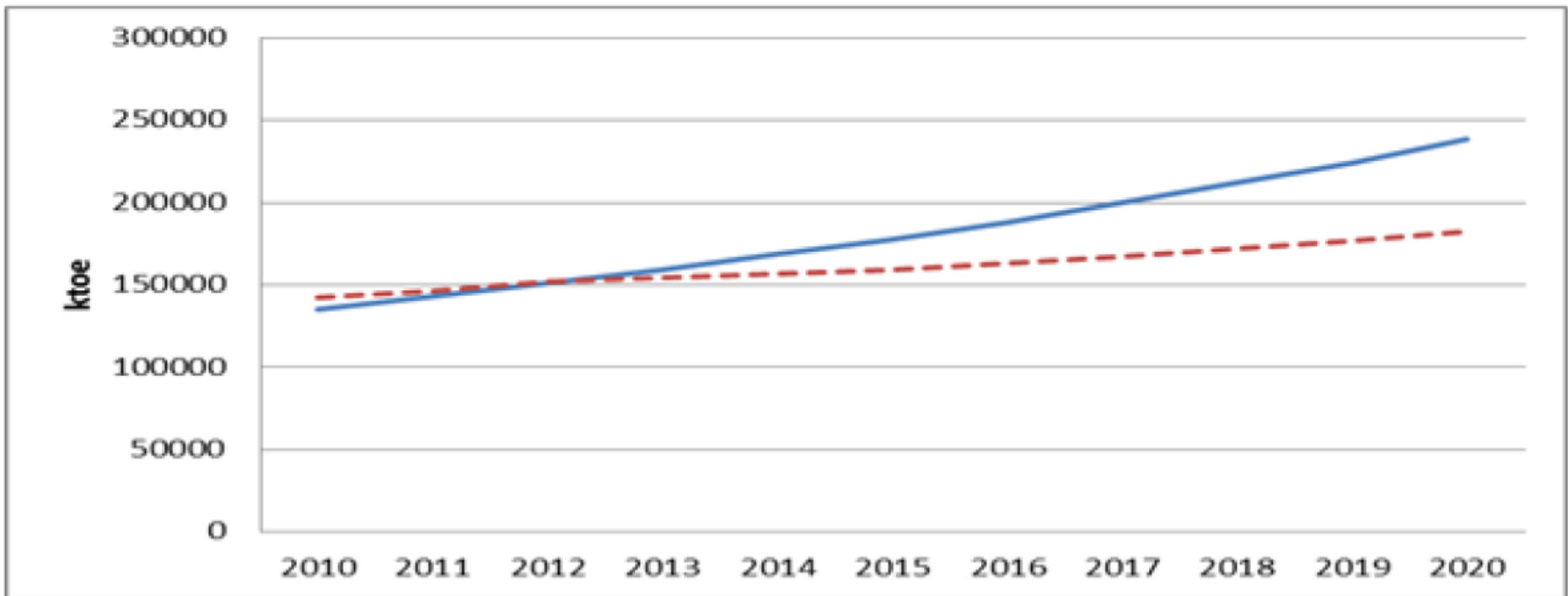
	2005	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
RES-H&C (%)	6.1	7.6	8.0	8.5	9.2	10.2	10.9	11.7	12.5	13.3	14.1	14.6
RES-E (%)	16.7	19.1	19.3	20.2	21.0	21.5	23.0	23.3	23.3	23.7	23.9	24.0
RES-T (%)*	0.6	4.1	4.2	4.3	4.4	5.0	6.0	6.3	6.8	8.3	8.5	10.0
Overall RES share (%)	6.7	9.5	8.2	8.2	8.9	8.9	10.0	10.0	11.4	11.4	13.2	14.0
Of which from cooperation mechanism (%)		0	0	0	0	0	0	0	0	0	0	0
Surplus for cooperation mechanism (%)			1.7	2.2	2.1	2.9	2.8	3.3	2.5	3.2	1.7	1.3
As part B of Annex I to the Directive			2011-2012		2013-2014		2015-2016		2017-2018			2020
			S ₂₀₀₅ +20% (S ₂₀₂₀ -S ₂₀₀₅)		S ₂₀₀₅ +30% (S ₂₀₂₀ -S ₂₀₀₅)		S ₂₀₀₅ +45% (S ₂₀₂₀ -S ₂₀₀₅)		S ₂₀₀₅ +65% (S ₂₀₂₀ -S ₂₀₀₅)			S ₂₀₂₀
RES minimum trajectory (%)			8.2		8.9		10.0		11.4			14.0
RES minimum trajectory (ktoe)			881		962		1 088		1 252			1 572

* achievement if target in accordance with Article 3(4) of Directive 2009/28/EC

EU renewable energy growth & 2020 targets



Current renewables policies: OK, but...



blue – planned trend in EU renewable energy to reach 2020 targets

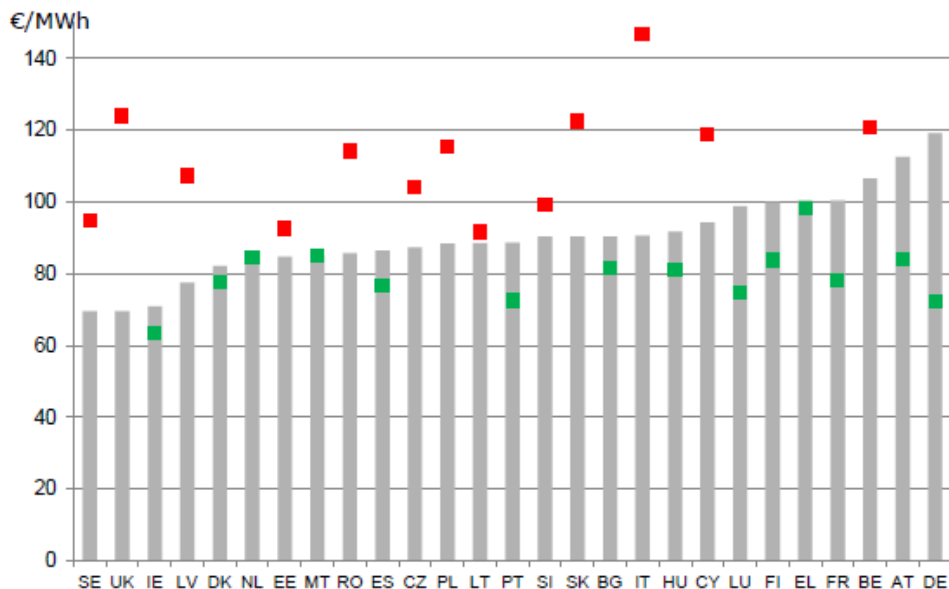
red dotted – estimated trend in EU renewable policy with current policies

Production costs versus subsidies for renewables

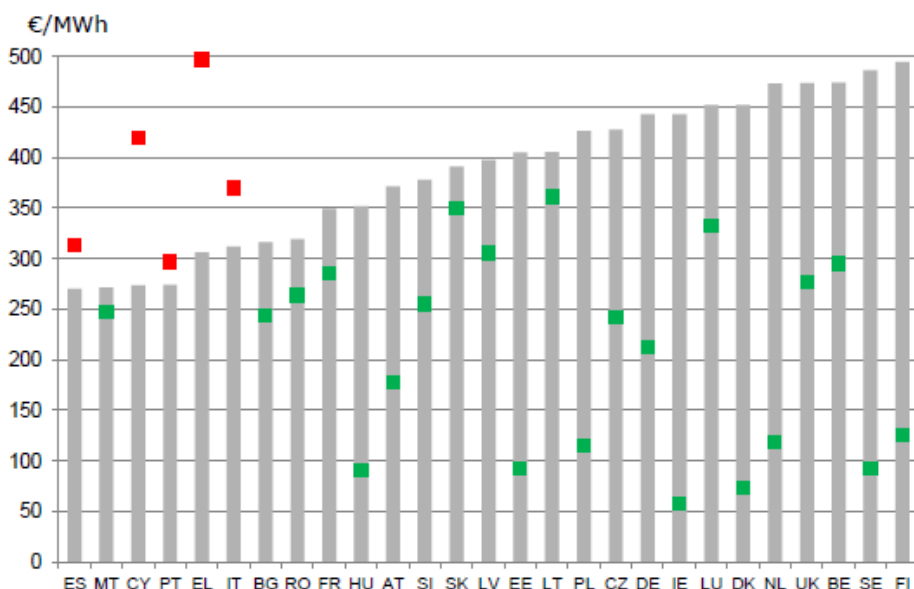
(averages, in €/MWh, latest year available)

■ Production costs
 ■ Subsidies over production costs
 ■ Subsidies below production costs

Wind energy on-shore



Solar energy (photovoltaics)



"State intervention Package" (coming soon)



***Cooperation
mechanisms***

***RES support
schemes***

***Capacity
mechanisms***

***Demand
response***

Guidance support schemes:

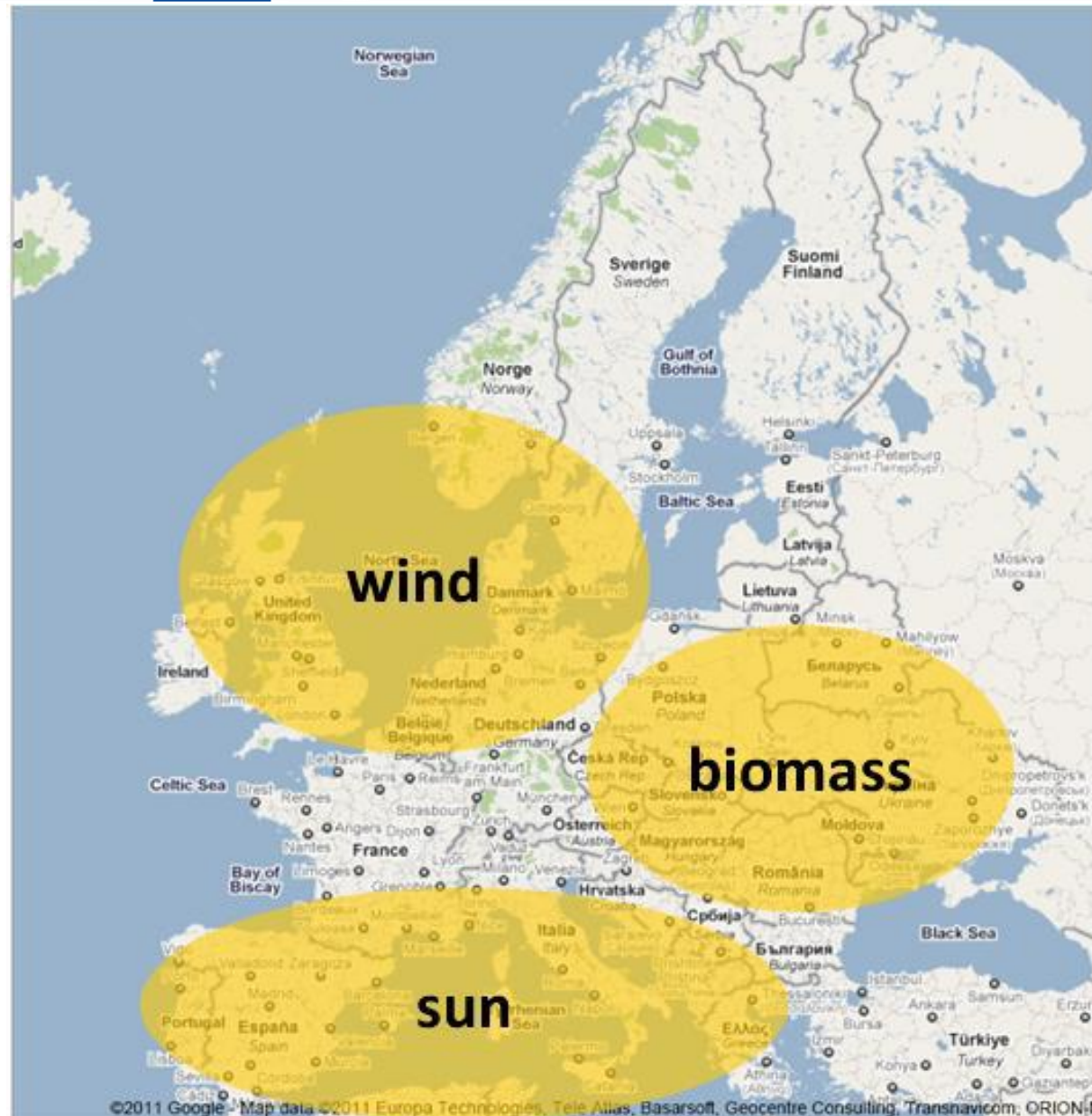
1. **The reform process** - transparency, predictability, credibility and cost effectiveness
2. **Market integration – more market exposure and competitiveness**
 - ***Choice and design of support instrument*** –short and long term considerations, competition among RES, maturity of technology
 - ***Minimising system impacts*** - balancing responsibility, dispatching rules, grid cost bearing, transparent procedures
3. **Cost control** - competitive allocation mechanisms, objective cost and revenue calculations (LCOE), automatic digression, limited time frame
4. **Strengthening the internal market**
 - ***Convergence of national schemes*** along principles of Guidance
 - ***Integration of RES*** in competitive IEM
 - ***Use of cooperation mechanisms*** and opening up of support schemes

Further completion of IEM as prerequisite ("2014" and beyond)

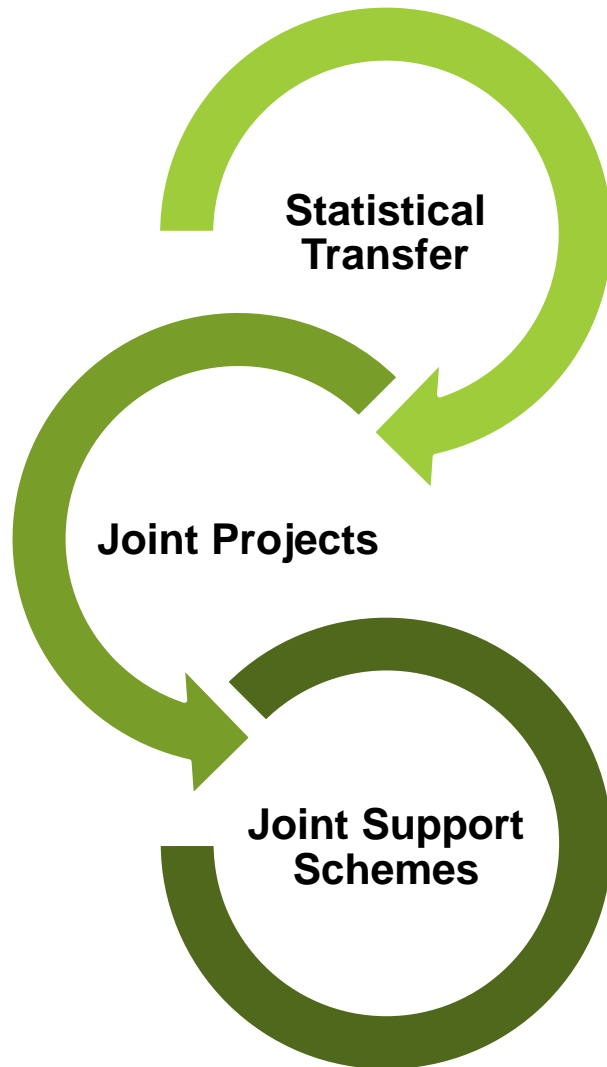


Financing RES study:

- » "Cooperation between countries represents an absolute necessity" to reach 2020 targets
- » Consumer expenditure with purely national strategies would be 5% higher, i.e. around €2bn per year



Cooperation mechanism guidance



**Statistical
Transfer**

*Short-term cost-efficiency
Gaining time for domestic deployment*

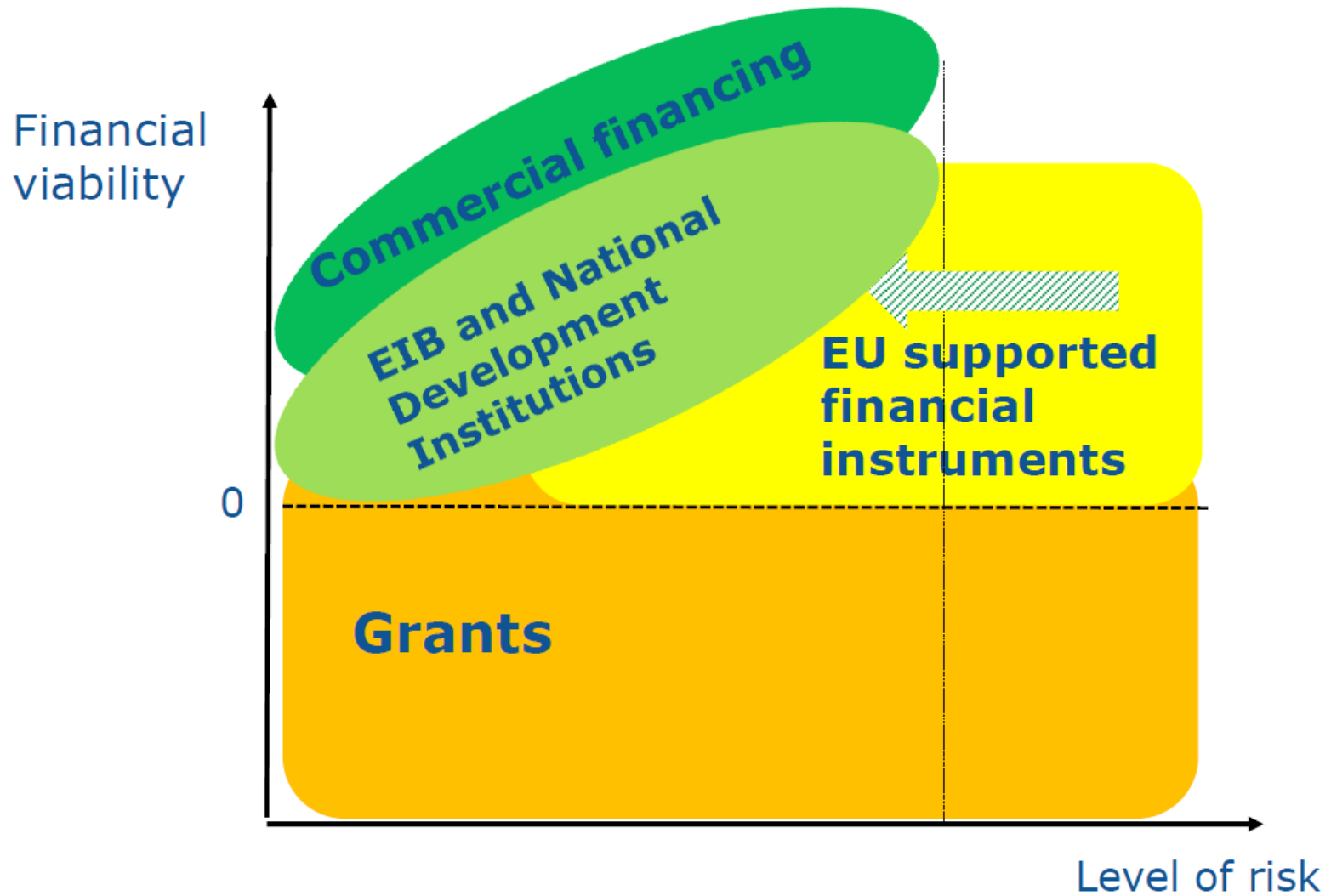
Joint Projects

= Statistical Transfer + new investment in
concrete installation
*Technology specific objectives
Establishing longer term cooperation
Security of supply considerations
Mutual learning*

**Joint Support
Schemes**

*Long-term efficiency through
broader resource portfolio and
more liquid markets*

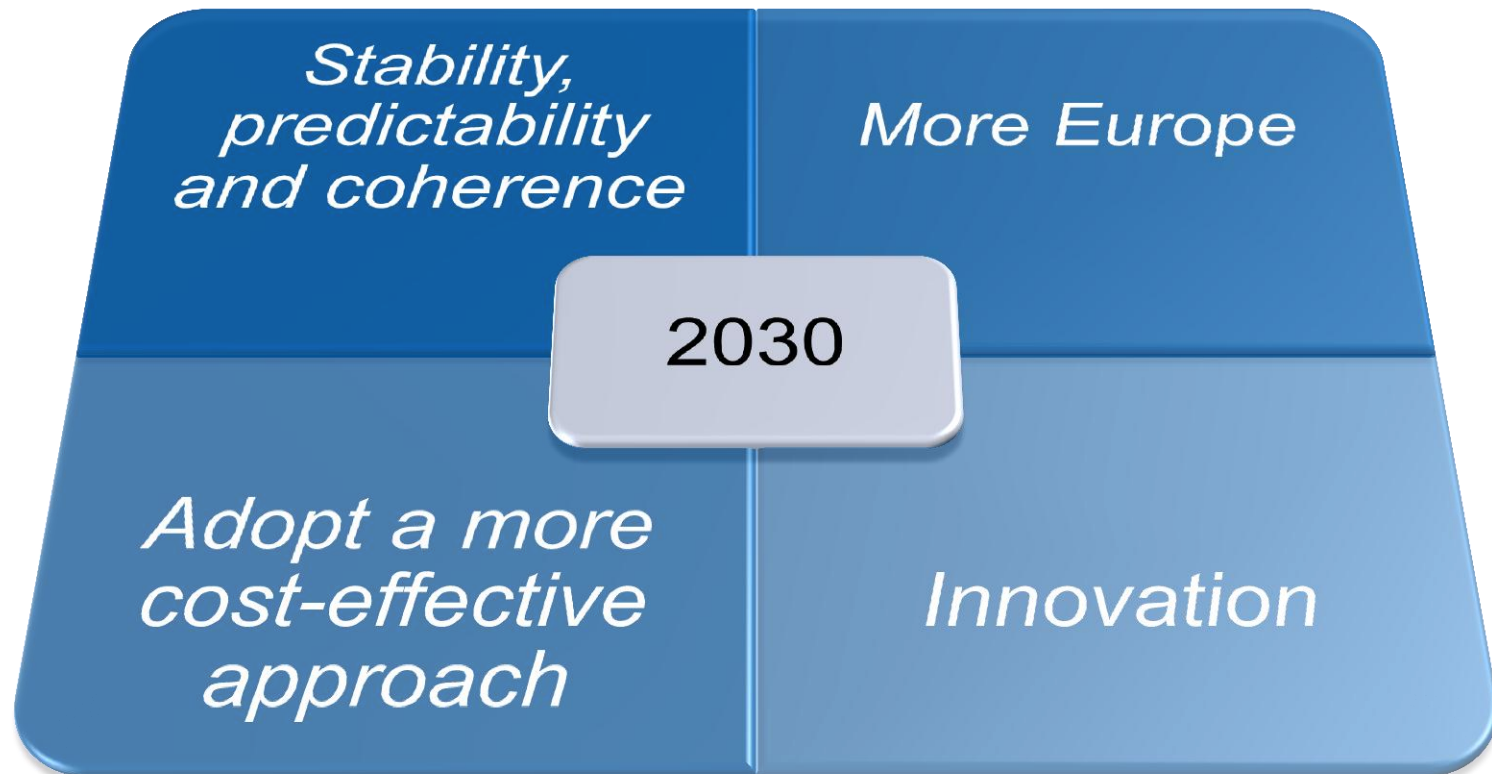
Scope for financial instruments



Challenges in meeting 2020 targets - to be considered in the 2030 framework

- Increasing concern about energy import dependency and rising energy prices
- Stability and costs of renewables support schemes, impacts on the internal energy market, on grid stability and on capital allocation
- Need for massive investments in energy transmission and distribution infrastructure
- Current large surplus of ETS allowances, resulting in a low carbon price and low investment incentives

The key themes for EU 2030 policy



http://ec.europa.eu/energy/renewables/index_en.htm

Thank you for your attention

