Driving regional cooperation forward in the 2030 RES framework

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Regional cooperation is a buzzword

> Many stakeholders call for regional cooperation in the EU (EP, EC, Heads of State, other stakeholders)...

> ...but the scope and format of cooperation remain open.

> Our report explores how regional cooperation on RES policy could be implemented in practice beyond 2020.
Why regional cooperation?

> National energy policies diverge among EU Member States
  - Barrier to the creation of the internal energy market and the related efficiency gains

> Full top-down harmonisation is not feasible
  - Deeply ingrained differences in preferences regarding Member States’ energy mix
  - Energy mix as national competence (Lisbon Treaty)
  - One-size-fits-all-approach will not apply to diverse contexts in the EU

> Regional cooperation can bridge this gap
  - Key element for efficient policy coordination & convergence
  - Similar or complementary Member States can cooperate to find well-tailored solutions
A variety of regional cooperation fora already exists

Cooperation within different geographical regions on

- **Electricity markets**, e.g. Electricity Regional Initiatives; Pentalateral Energy Forum; Baltic Energy Interconnection Plan
- **System operation**, e.g. ENTSO-E’s operational committee
- **Infrastructure planning**: e.g. ENTSO-E’s development committee; NSCOGI

> But so far hardly any cooperation on new RES deployment (i.e. cooperation on RES targets and RES support schemes)
Options to enhance regional cooperation on RES deployment in the 2030 framework

- **Regional cooperation in policy planning**, guided by the EC, e.g. action plan template, mandatory regional consultation

- **Joint regional RES projects and support schemes**, e.g. request to achieve x% RES by joint initiatives

- **Regional RES targets**
  Top down or bottom up definition? Accountability and liability?

- **Regional RES target monitoring** (peer pressure)

- **Regional cooperation at subnational level**, facilitating citizens’ participation
How to define the geographical scope of regions?

> **Top-down or a bottom-up approach?**

> Top-down definition has the advantage of including all Member States; challenges:
  - Not creating the sense of ownership of MS towards that region
  - No obvious geographical division, depends on criterion applied

> Bottom-up definition seems more politically-feasible & can create a sense of ownership; challenges:
  - How to make sure that no Member State is left out?
  - How to ensure that the EU target is met?

> Bottom-up definition seems more feasible, but would require strong guidance by the EC
How to incentivise regional cooperation?

> **Financial incentives**: ERDF, INTERREG funding, Projects of Common Interest or additional funding options

> **Malus for lack of regional cooperation**: Member States who decide to reach their RES target only nationally are required to reach a higher RES share than their indicative target or benchmark.

> **Mandatory regional cooperation**: The EC could require that x% of the RES deployment will be reached via regional initiatives.
Conclusions

- Need for a „quantum leap“ in regional cooperation to effectively bridge the gap between national RES policies and a European approach to RES deployment towards 2030

- Multiple options to enhance regional cooperation in RES policy planning, support schemes, target setting and target monitoring

- A bottom-up approach is more acceptable to Member States than a top-down approach but unlikely to move things forward; need for a mix of bottom-up and top-down elements
Questions?

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ENTSO-E operational committee: regional groups

Source: ENTSO-E
ENTSO-E Development committee: regional groups
7 Electricity Regional Initiatives created by the European Regulators (ERGEG)

Source: Umpfenbach et. al./Ecologic
Interreg regions

Source: European Commission
Comparing support expenditures of joint support schemes

Cumulative support expenditures in millions of Euros in the 3 case studies displayed for the reference and cooperation cases (Source: Busch et al.)