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Driving regional cooperation forward in the 2030 RES framework

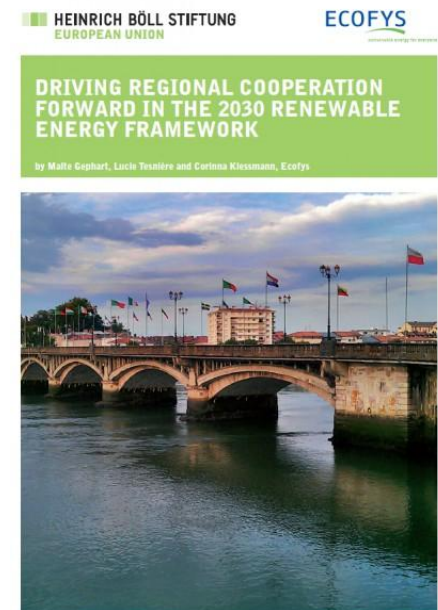
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Regional cooperation is a buzzword

- > 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

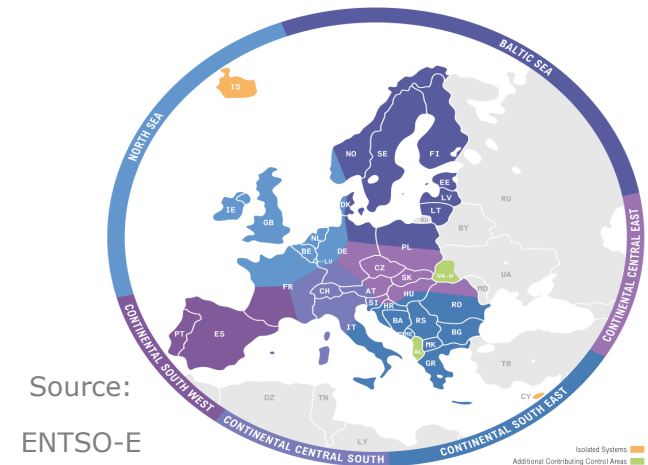
- > **Regional cooperation can bridge this gap**
 - Key element for efficient policy coordination & convergence
 - Similar or complementary Member States can cooperate to find well-tailored solutions

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?**

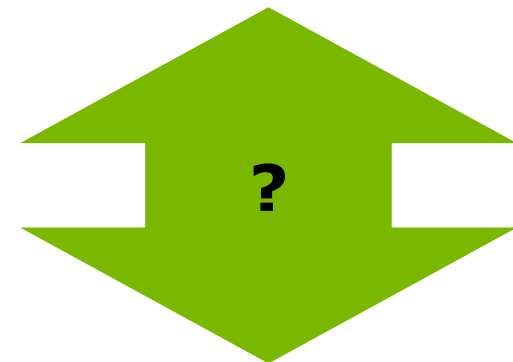
> Top-down definition has the advantage of including all Member States; challenges:

- 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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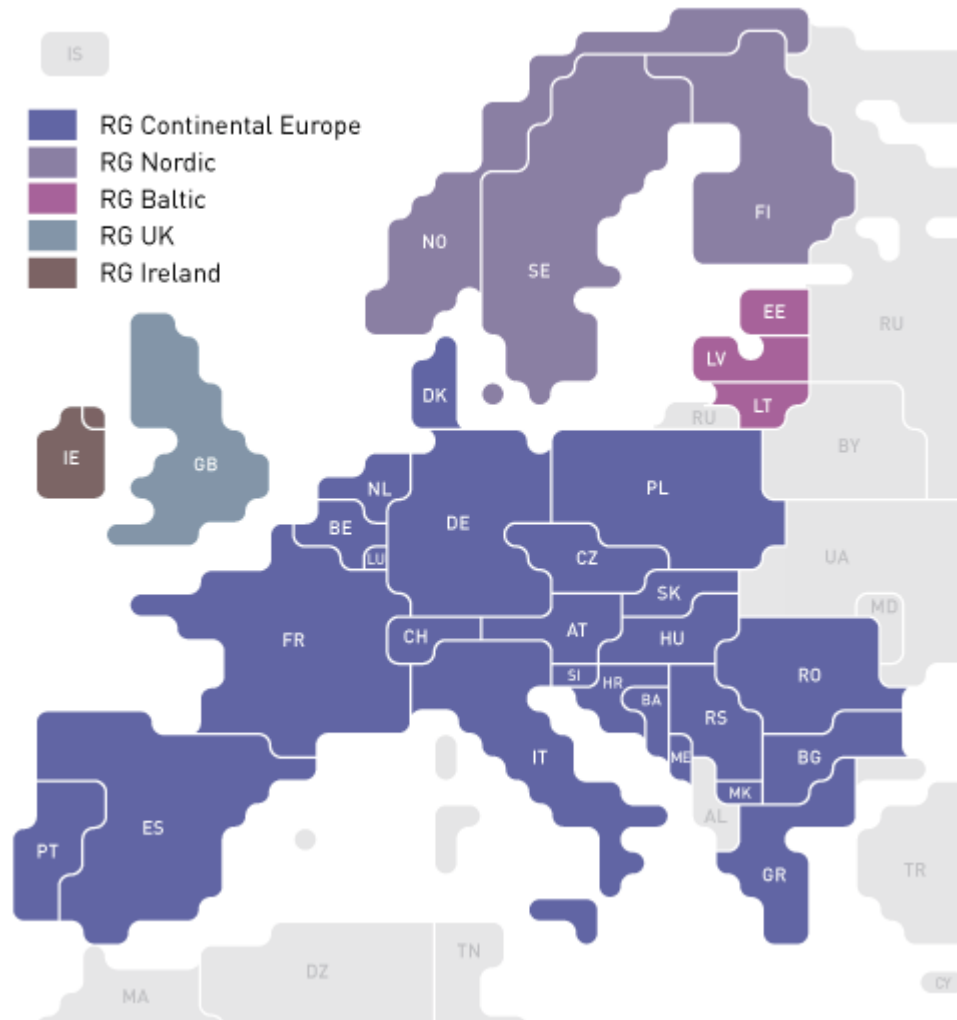
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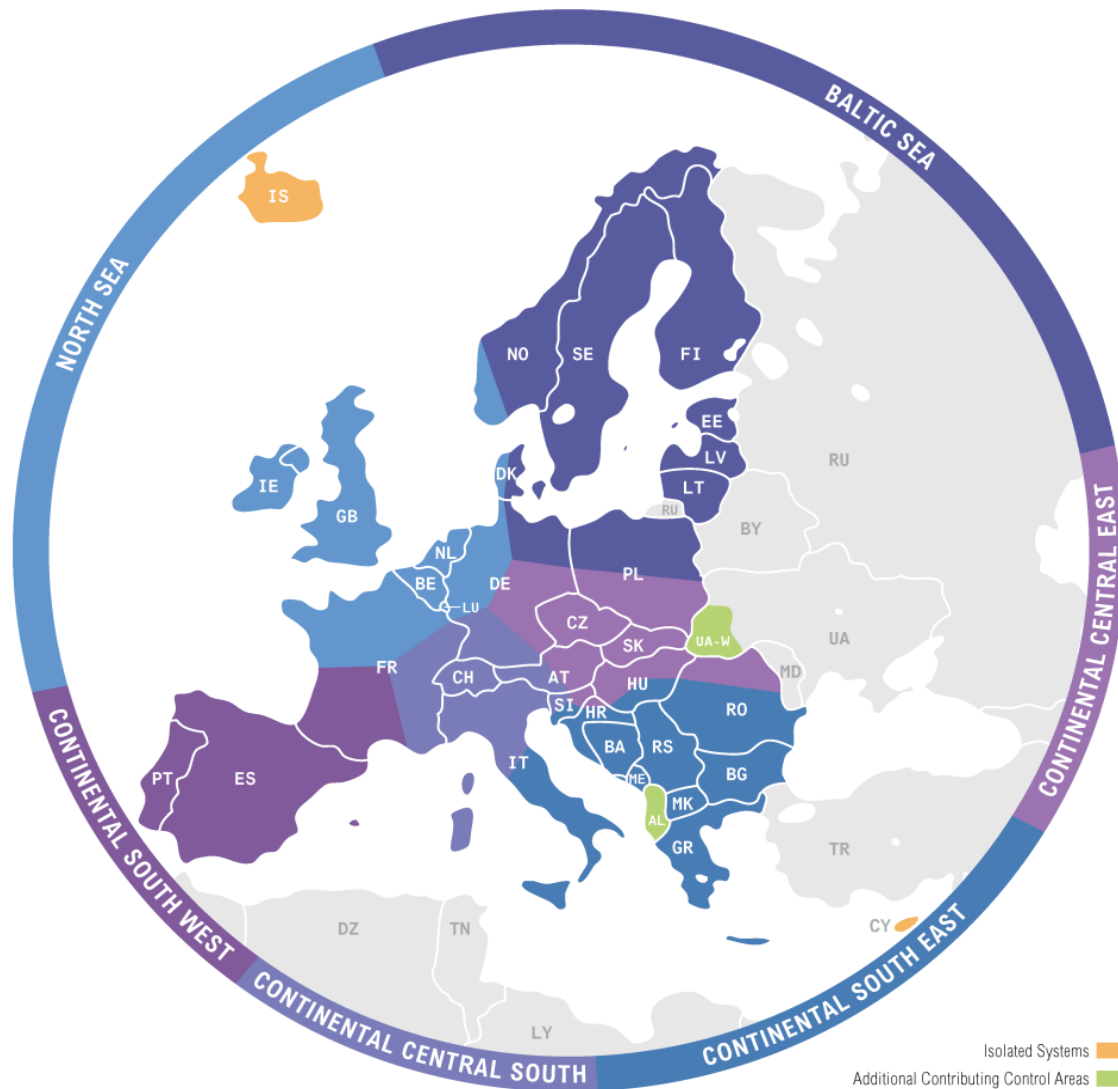
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ENTSO-E operational committee: regional groups



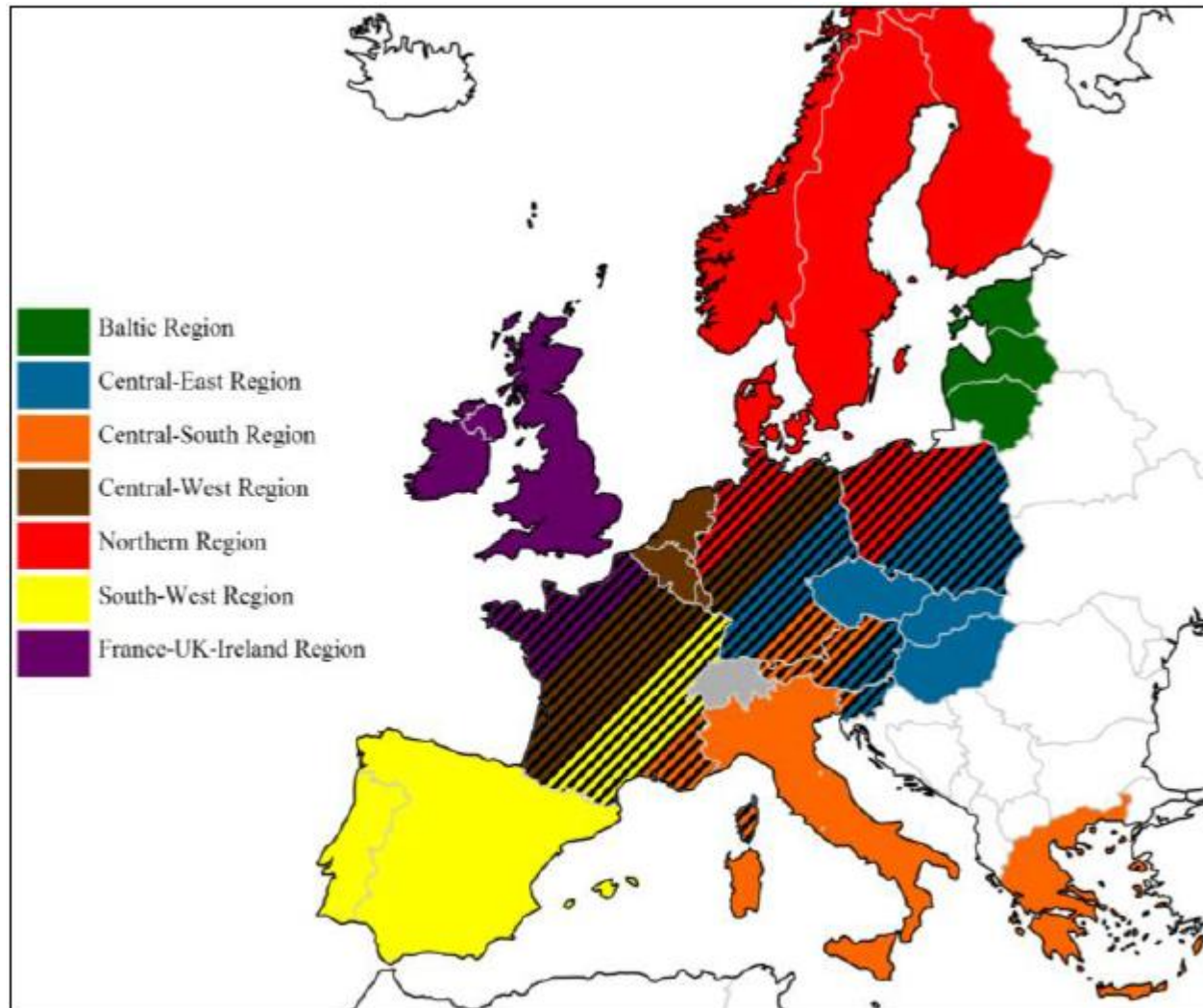
Source: ENTSO-E

ENTSO-E Development committee: regional groups



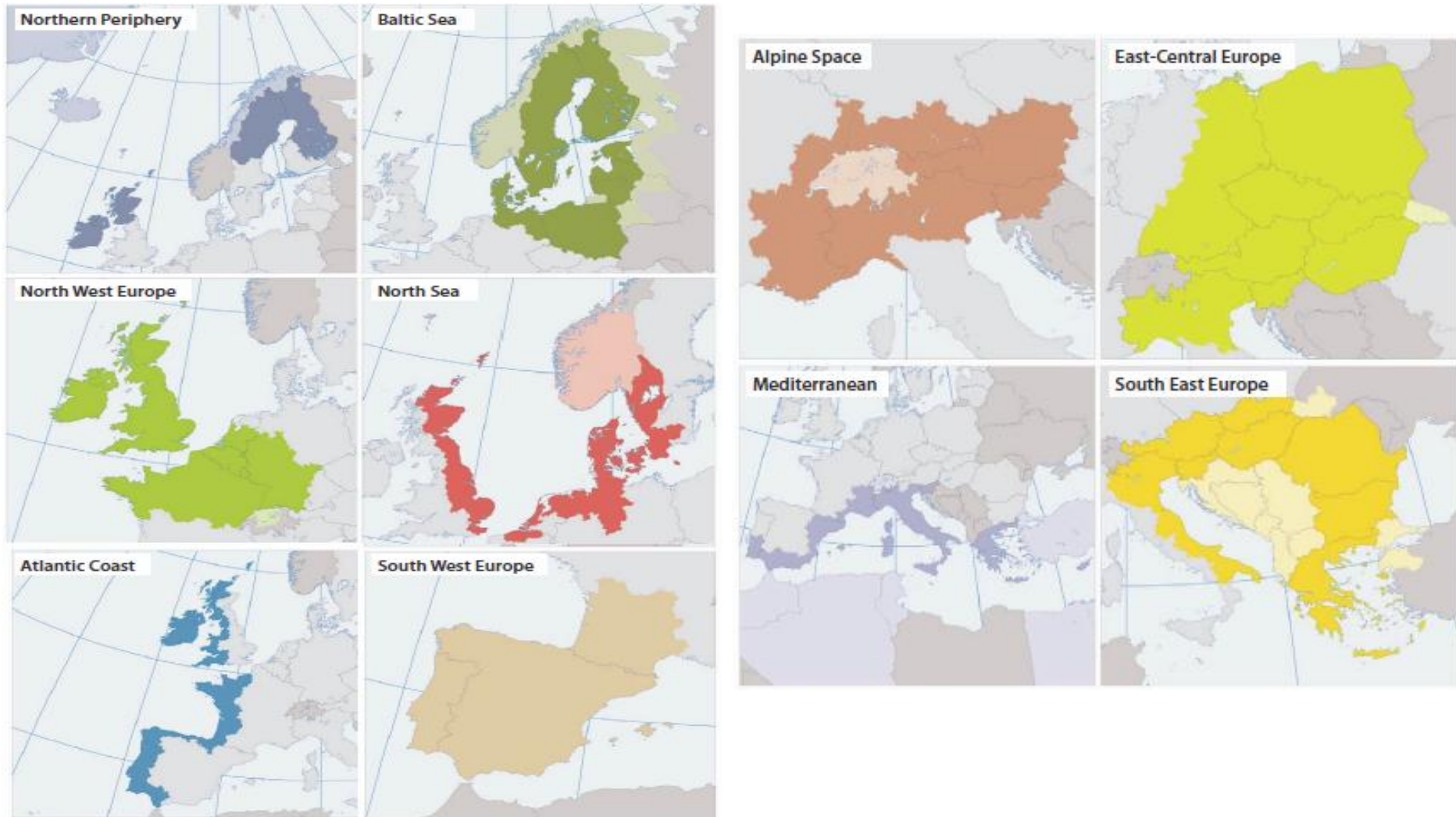
Source: ENTSO-E

7 Electricity Regional Initiatives created by the European Regulators (ERGEG)



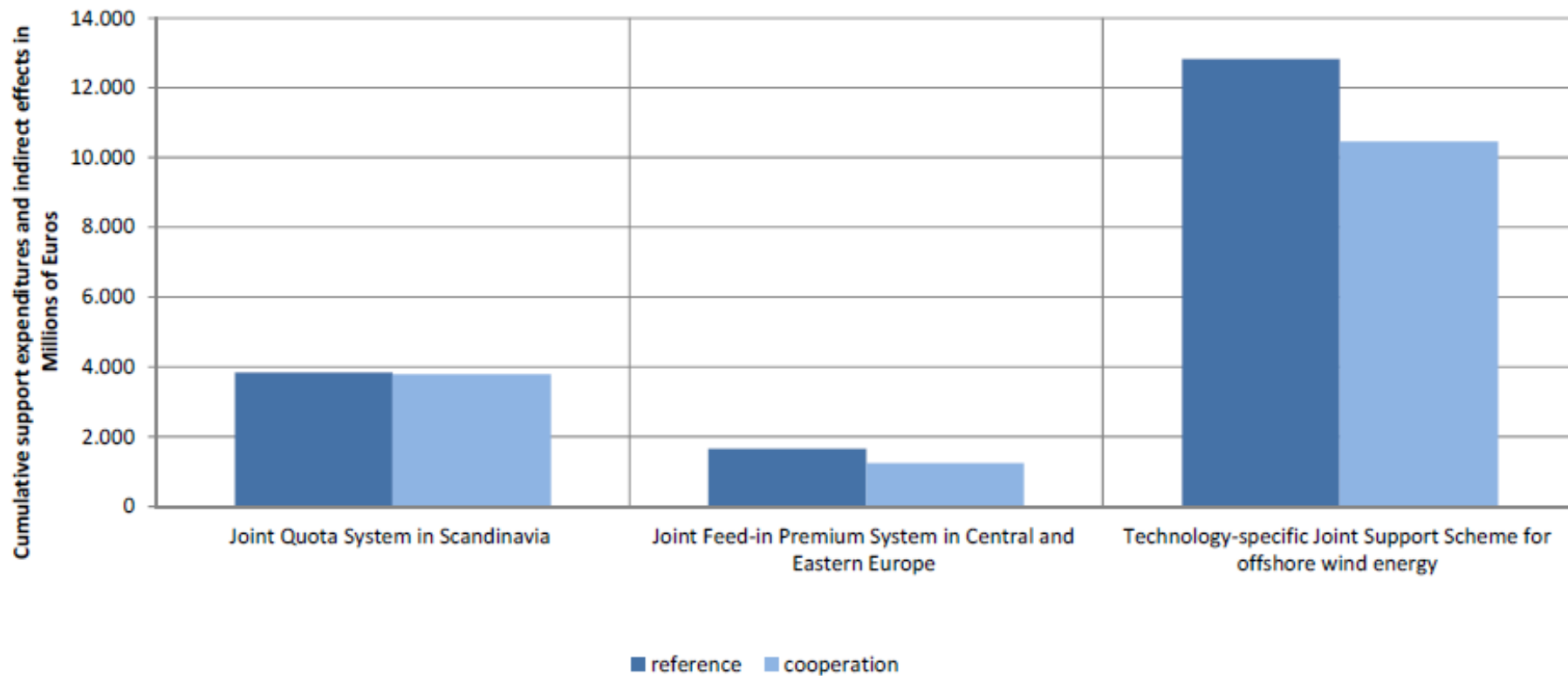
Source: Umpfenbach et. al./Ecologic

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.)