

Event report¹

Driving regional cooperation forward in the 2030 renewable energy framework

The European institutions have all repeatedly called for regional cooperation in the context of the 2030 climate and energy framework and the Energy Union debate. The current Luxembourg Presidency of the Council of the European Union emphasises the need for regional cooperation and has presented a methodology for drafting national plans in order to reach the EU's climate and energy targets. Regional renewables cooperation offers a lot of untapped potential to effectively bridge the gap between national renewables policies and a Europeanised approach to renewables deployment.

To what extent can regional renewables cooperation contribute to reach or even exceed the EU-wide target of “at least 27%” renewable energy sources by 2030? Which opportunities arise from working closer together, what challenges must be met? How can regional cooperation be fostered and further strengthened to meet the European ambition for renewables in the 2030 framework?

A new buzzword

Less than two months ahead of the international climate conference in Paris (COP21), countries worldwide are exploring how to effectively reduce their CO₂ emissions. As European Member States decide on their own energy mix, EU policy makers encounter a divergent energy policy landscape across the EU. In order to become world leader in renewables, the EU's Energy Union should boost European approaches to increase renewables deployment. As there is no one-size-fits-all solution to foster such deployment, regional cooperation appears to be the new buzzword.

Regional renewables cooperation is a promising way to bridge the gap between national policies and the Europeanised approach. In times of growing Euroscepticism, the regional approach can increase the likelihood for Member States to agree with “more Europe” in the energy sector. And – according to scientific research – regional cooperation on renewables bears the potential for huge cost and system benefits. However, so far there has been relatively little progress on cross-border renewables deployment.

The new study [“Driving Regional Cooperation Forward in the 2030 Renewable Energy Framework”](#), written by the consultancy Ecofys on behalf of the Heinrich Böll Foundation's EU Office, explores the potential benefits of regional renewables cooperation and provides policy suggestions of how such cooperation can effectively be enhanced. The study was presented on the 1st of October in Brussels and

¹ The event took place on 1st October 2015. Speakers were: **Friedrich von Heusinger**, Director of the Representation of the State of Hessen to the European Union; **Klaus Linsenmeier**, Director of the Heinrich Böll Foundation European Union; **Corinna Klessmann**, Managing Consultant for Policy Design and Evaluation, Ecofys; **Tom Eischen**, Director General Energy, Ministry of the Economy of Luxembourg; **Marie Donnelly**, Director, DG Energy, European Commission; **Claude Turmes**, Member of the European Parliament (Greens/EFA); **Dirk Hendricks**, Senior Policy Advisor, European Renewable Energies Federation (EREF); **Susanne Nies**, Corporate Affairs Manager, European Network of Transmission System Operators for Electricity (ENTSO-E); **Frederic Deloof**, Benelux Secretariat/Pentalateral Forum, General Secretariat. The event was moderated by the freelance journalist **Sonja van Renssen**. The opinions expressed do not necessarily represent the opinions of the Heinrich Böll Foundation.

its findings were discussed during two expert panels that represented the views of EU institutions and other relevant stakeholders. The most important findings and graphs from the study are available [here](#).

How to take up the challenge

How can regional cooperation on renewables deployment be increased in the EU? According to the recent study, regional policy planning should be introduced, which means that neighbouring Member States and sub-national authorities consult with each other on their respective action plans with strong guidance by the European Commission. As a next step, joint regional projects and support schemes, as promoted already in the current EU Renewables Directive, could lead to enormous cost benefits. Thirdly, as Member States opposed national binding targets in the 2030 renewables framework, regional binding targets could encourage cross-border cooperation. Ultimately, cooperation on a subnational level could be a way to increase renewable energy deployment across borders and thus kick-start regional cooperation from bottom up. The involvement of subnational actors can help to increase acceptance and support from the local population and thus bring the Energy Union closer to its citizens.

In order to implement these suggestions, however, there are several challenges including the simple question: What is a region? Corinna Klessmann, one of the authors of the study, favours a bottom-up approach with strong guidance by the European Commission when defining regions. According to Klessmann, such an approach would help create a sense of ownership among the Member States. It is important to include each Member State in one of the regions and – in the case of regional binding targets – to clearly assign the accountability for meeting the target.

Further guidance will be needed when it comes to finally implementing regional cooperation mechanisms. Member States already have the possibility to cooperate, but they do not fully exploit the potential of regional renewables cooperation. A crucial question in this regard is how regional cooperation can actually work without national binding targets. As regional cooperation is a question of effort-sharing some benchmarks are needed. Regional binding targets can help to provide such benchmarks.



Other practical suggestions for top-down elements that support regional cooperation are for instance that Member States could be invited to realise a certain share of their renewables pledges jointly. They could also include regional cooperation in their national action plans, which then would be reviewed by the Commission. In addition to such measures, regional cooperation could be financially incentivised. Countries that are willing to cooperate could be granted additional funding via new or existing funds such as the European Regional Development Fund.

Paving or barring the way to more regional cooperation?

Panellists pointed out that blazing the trail towards more regional cooperation is a difficult political task that still lacks consensus. Whilst Claude Turmes, MEP, emphasised that “without nationally binding targets or something near to it, it will be impossible to organise regional cooperation”, it was made clear

by European Commission representative Marie Donnelly that the Commission encourages, but does not seek to enforce regional cooperation. The reason is that building up regional cooperation is perceived as a slow and challenging process which requires a change in behaviour of all parties concerned. Defining regions in a top-down manner as well as setting binding regional targets is therefore not on the Commission's agenda. Also, as regional cooperation is not only relevant for the electricity sector but also for instance for heating and cooling, it might after all be more feasible to develop a flexible understanding of regions, depending on which sector is concerned.

Tom Eischen, Director General Energy of the Ministry of the Economy of Luxembourg, recalled that regional cooperation had been historically necessary in other energy-related areas as for instance on the technical level and regarding supply security and is therefore already happening. In the 2020 renewable energy framework, however, there has not been a clear need for regional cooperation. As now "the target world is changing" with the EU taking steps forward towards an Energy Union, he reckons on the alignment of electricity market rules to drive regional cooperation on renewables deployment forward.



Not a start from scratch

Indeed, regional cooperation is not an unknown concept to the energy world and the reason for the low level of regional cooperation on renewables cannot be a general lack of practice in regional cooperation in the energy sector. Several fora already exist as for instance the Pentilateral forum, the North Seas Countries' Offshore Grid Initiative as well as the operational and development committees of the European Network of Transmission System Operators for Electricity (ENTSO-E). Such fora foster regional cooperation in the areas of the electricity market and system operations.

As part of the second panel, Susanne Nies from ENTSO-E pointed out that for TSO-suppliers "regional cooperation has been a must since always" simply for technical reasons. The cooperation on a technical level was itself a precondition for the rise of the internal energy market. Since then regional cooperation has stretched out to market cooperation and integration and has helped to come forward with market and security issues. Now the time has come for regional cooperation to be extended to renewables,

with the internal market being an important stepping stone. The existing fora may serve as models for regional cooperation on renewables.

Frederick Deloof from the General Secretariat of the Pentilateral Forum, however, advises to manage expectations and not to be overambitious: “Regional cooperation comes with ups and downs, sometimes the momentum is there and sometimes not.” Any additional bureaucratic hurdles, e.g. requirements to monitor and report activities, would probably not facilitate commitment to regional cooperation. There is a clear need to highlight the benefits of regional cooperation on renewable energy.



Member States need to join forces

In the end, regional cooperation is about the willingness of the individual Member States to cooperate. And at this level, another obstacle emerges. The national mindset, according to Nies, is not yet ready for engaging in regional cooperation on renewables. The problem becomes apparent in the question of cost- and benefit-sharing. Cooperating states would have to agree on who covers which costs and who derives which benefits of joint deployment of renewable energy sources. Member States might just not be ready yet for the discussion of such questions.

Thorough cost-benefit analyses should be carried out by the Commission and others to underpin the advantages of regional renewables cooperation. Dirk Hendricks from the European Renewable Energies Federation also claims that the support from governments and its citizens will increase with growing evidence that regional cooperation can save costs and create jobs whereas “splendid isolation” comes at a high (electricity wholesale) price.

Renewables should be at the core of the Energy Union. A solid infrastructure and common market rules are needed to enhance cross-border deployment of renewable energy across the European Union. In fact, renewables have been the most important driver of the common market in the first place, given that the consequences of a renewables-based system require additional cooperation at EU level. As the energy sector is changing and production becomes more decentralised, a new market design has to be established that incentivises flexibility options for a more variable energy system. Regional cooperation can provide additional flexibility to the system.

Within the context of the Energy Union and the internal energy market, regional renewables cooperation can provide an important opportunity for those Member States who are willing to join forces on the way towards a European energy transition.