A European Union for Renewable Energy
Policy Options for Better Grids and Support Schemes

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Starting Point

• Europe: reduce GHG emissions 80-95% by 2050

• ERENE – European Community for RE

• Put German *Energiewende* in European context (CO2 goals for 2020, energy security, fair prices)

• European institutions: EC “Energy Roadmap 2050”
Background: dynamic policy field

- Green economy “A Roadmap for moving to a competitive low carbon economy in 2050”

- Latest on RE: “RE: a major player in the European energy market”
Basic assumptions

• 100% RE in the electricity sector by 2050
• Different starting points (politically, economically in different Member States)
• 45% RE binding target till 2030
• Climate targets, energy security, fair prices must be guaranteed
• Nuclear & CCS are no options
Structure:
Grids

Governance

• Current grid planning
• Multi-level governance
• Actors
  – National
  – European: ACER and ENTSO-E

Elements for improved European grid planning
Background Grids

• Grid: Guidelines for a trans-European energy infrastructure

• Ten-Year-Network Development Plan of ENTSO-E
Elements for improved grid planning

• Bringing actors together
• Transparency and participation
• Best practices
• Hybrid approach
Some discussions: Centralised vs. decentralised

- Possible indicators: installed capacity, distance, dependence on high-voltage transmission lines and ownership structure

- The Europeanisation of RE should not be:
  - ≠ automatically centralisation
  - ≠ production at sites of high RE concentration and transport over long distances

Instead: The optimised mix and balancing of RE across borders
Recommendations – Grids (1)

- Re-design grid planning process to ensure maximum flexibility and resilience within the system, while guaranteeing a planning process that is inclusive, transparent and democratic
- Establish stakeholder forum
Recommendations – Grids (2)

- Include public interest better; including consultations
- Benefit sharing mechanisms for local stakeholders will increase public acceptance
- Make planning process more transparent (ENTSO-E)
- Alter ACER’s mandate to ensure the public interest is served
Structure: Remuneration and support schemes

• Today’s market, its shortcomings and our vision
• Tackling the flexibility challenge
• What role for Europeanisation of support and remuneration schemes in the medium and long run?
Some discussions: Balancing solutions

- Abundant but variable RE require a flexible energy system
  Solutions include:
  - Integration of all energy markets
  - dispatchable power plants
  - Demand-side management /demand response
  - Storage
  - Interconnection with adjacent markets
(Source: Harnessing Variable Renewables -- A Guide to the Balancing Challenge © OECD/IEA 2011)
Some discussions: Price of electricity

- Peak-load power trading; merit-order effect

- Medium-term: the integration of all energy markets and more storage reduces this effect

- Long term: new ways of remuneration need to be found
A higher share of renewable energy lowers the wholesale electricity market price (merit-order effect).

The marginal power plant determines the wholesale electricity market price.

The merit-order effect, based on AEE, 2011
“Europeanisation” of support and remuneration schemes:

– Convergence of feed in tariff (FIT) systems as a preferred option
– Tenders
– Front-runner coalitions
– Cooperation-mechanism under RE Directive
Recommendations – Support systems

- Continue with current RE framework until 2020 and fully implement Renewable Energy Directive
- 45% target by 2030 in overall energy sector
- Re-design of markets for RE
- Remuneration beyond 2020: convergence of national support schemes on basis of FIT
- Tenders
- Frontrunners
- Triple-A- Options for investments
Recommendations – treaty revision

• Revise Euratom Treaty to prioritise nuclear safety only
• Close the democratic gap by giving the European parliament full co-decision rights
• In a future Treaty revision, reconsider art 194(2) TFEU which states Member states right to determine their own energy mix and supply structure
• European policy options should not be foreclosed by national choices
• Clear preference for renewable energy, environmental integrity and the fight against climate change
A European Project

„A European Union for Renewable Energy could be a positive project for the whole EU and provide a new push for integration in a time of economic and political crisis. Renewable Energy could be a driver for sustainable economic development and job creation.“
Merci beaucoup four votre attention!
Thank you for your attention!
Danke für Ihre Aufmerksamkeit!

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