

# Highlights of EU policies for renewables

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# EU-federal policies

## Joint electricity market in 2014

- Wholesale and retail market totally liberalized
- Regional markets in operation
- Improved infrastructure key also for reaching the RES targets

## Climate package, 3 targets for year 2020

- 20% emission reductions compared to year 1990 – *binding*
  - Cap and trade (EU ETS), covers 40% of all emissions
  - National targets for the rest of the emissions
- 20 % renewable energy target (electricity, heat/cooling, transportation) - *binding*
  - Electricity sector: from ca 18% to 35%
- 20 % energy efficiency compared with 2005 – *non binding*
  - But discussions about binding target

# EU-federal policies RES

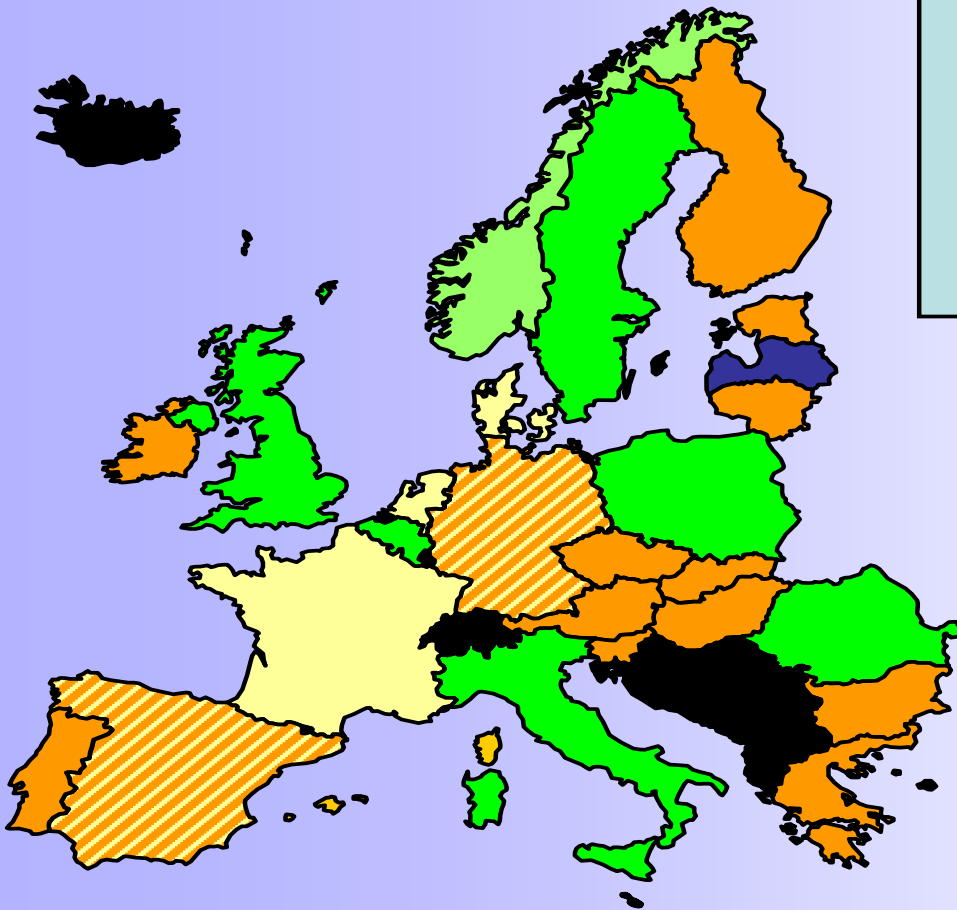
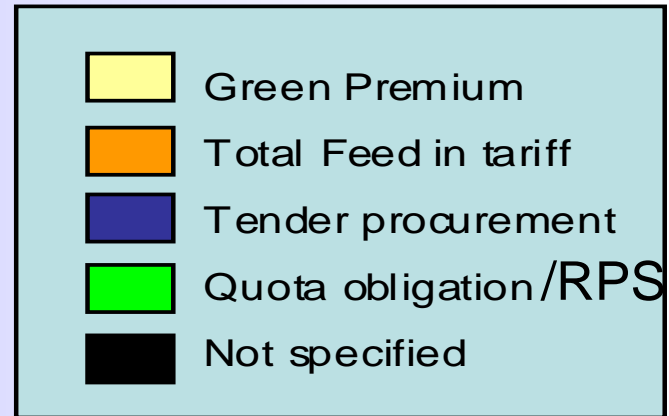
- **Renewable directive**

- National targets for 2020, basically a financial burden on EU-countries, not primarily based on availability of resources
- Support schemes a task for the national government
- Cooperation mechanisms for EU-countries
  - Statistical transfer
  - Joint projects
  - Joint support schemes
- Guarantee of Origin for the voluntary market
  - Unbundled from electricity sales and not to be used for compliance
  - To be mutually recognized within EU

- **Electricity market directive**

- Electricity disclosure/energy mix requirement on suppliers

# RES-E support schemes



# Compliance and Voluntary markets

Total electricity market	US	EU
	3 950 TWh	3 300 TWh

Compliance market, new RES	2010	2020
USA	55 TWh	250 TWh
EU	350 TWh	900 TWh

Voluntary market RES	2010
USA	35 TWh
EU	300 TWh

# Some comments comparing EU and US

- Strong "federal" policies in EU but overlaps
- Competition in the RES compliance market stronger in US
  - A lot of feed-in schemes in EU putting unnecessary costs on customers
- The promotion of new technologies (feed-in tariffs) too generous in EU
  - Curve-outs in US an interesting solution
- Financing problems a latent risk in EU: increase from 35 billions to 70 billions Euros/year
- Federal RPS failed in EU
  - Governmental cooperation possible
  - Some countries have already declared the necessity due to lack of resources
  - Sweden – Norway will establish the first joint support scheme/RPS
- Implementation of a harmonized of Guarantee of Origin (GO) promising
  - Market standard in 17 countries so far for electricity product verification
- Consistent implementation of Electricity Disclosure across EU to avoid double counting is vital

# Thanks for your attention

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