

Renewable energy: Commission calls for a stronger commitment of Member States to achieve the 2010 targets

The Commission adopted a new Communication on “The share of renewable energy in the EU” which evaluates the progress in the EU15 to achieve the 2010 target of 22% of electricity consumption from renewable energy sources and the overall target of a 12% share of renewable energy use for all purposes. By 2001 the share of renewable energy had reached 6% to be compared with 40% for oil, 23% for natural gas, 15% for solid fuels and 16% for nuclear power. Only a few Member States have until now implemented an attractive framework for renewable energy sources. In view of the meagre results so far the Commission calls on Member States to ensure the fulfilment of the 2010 targets by the implementation of appropriate measures. The Commission proposes additional concrete actions at national and Community level. “This communication comes at the right moment when Europe is facing a new increase of oil prices and is taking measures to curb greenhouse emissions. It is still time for Member States to change their policies so that renewable energies can finally take off in Europe”, said Vice-President Loyola de Palacio.

The communication adopted today by the Commission serves three purposes: evaluation of the progress made by the EU15 towards achieving national targets for 2010 for electricity consumption from renewable energy sources; assessment of the prospects of achieving the target of a 12% share of renewable energy in overall energy consumption in the EU15 by 2010, considering the adopted legislative measures; and proposals for concrete actions by the EU25 at national and Community level in the context of the World Renewable Energy Conference to be held in Bonn in June 2004. Building on this, the communication looks towards the line to take on targets for 2020. It proposes a thorough assessment of the proposal for a 20% target for the EU25 in 2020, which has been put forward by stakeholders and by the European Parliament. A review will be carried out at the latest by 2005, with a view to opening a debate in order to set, in 2007, a target for the period after 2010.

Evaluating the progress made by the EU15 towards achieving national targets for 2010 for electricity consumption from renewable energy sources

With existing national policies and measures it is projected that the EU15 will achieve a share of only 18-19% of renewable energies as share of total electricity consumption instead of the 2010 target of 22%. The analysis shows that only four Member States (Germany, Denmark, Spain and Finland) are on track to achieve their national targets. These countries have implemented an attractive framework for renewable energies. However, several other Member States have recently adopted new legislative measures that could allow them to achieve their national targets.

Almost twice as much wind power is likely to be installed by 2010 than was previously projected. The European wind industry is world leader in this technology

and has a world market share of 90%. In Denmark wind energy contributed around 14% in 2002 and nearly 16% in 2003. Wind energy has grown quickly to 60TWh in an average wind year but still accounts only for around 2.4% of EU electricity consumption. Moreover, the strong growth in wind has not been enough to outweigh the slow development of installations of new biomass capacities. Assessment shows that there is a need for better coordination of the policy framework in this sector. In general, further progress in improving grid access for electricity from renewable energy and removing administrative obstacles is essential for stable growth.

Assessing the prospects of achieving the target of a 12% share of renewable energy in overall energy consumption in the EU15 by 2010

Not only the electricity sector, but also transport and heating as well as energy efficiency measures are important to achieve the 12% target in overall energy consumption by 2010. Several directives have been adopted in these areas, e.g. the promotion of biofuels, energy performance of buildings and the promotion of cogeneration. At best, with full application of this legislation, it has been predicted that a 10% share can be achieved. Extra actions on the heat sector are still needed to reach the 12%. The promotion of biofuels is now supported by tax exemptions in Germany, Austria, Spain, France, Italy, UK and Sweden. But efforts for the promotion of this sector must still be consolidated.

Proposals for concrete actions at national and Community level

The European Commission considers that the efforts made are on good track but not sufficient. Improved support schemes should be developed, in full respect of the Treaty rules. It has been estimated that investments of € 10 to 15 billion per year are necessary to achieve the 12% target in the EU15. These investments can be provided by the public sector, but will have also to be supported by the private sector. Therefore, the wind energy success in three Member States must be applied to the rest of the EU, including feed-in tariffs, green certificates, market based mechanisms, tax exemptions....

Moreover, the Commission proposes that the promotion of renewable energy sources be fully integrated in the structural and cohesion funds as well as EU's international co-operation programmes.. Furthermore, RTD efforts should be enhanced and it is necessary to accelerate the pace of public support for research, technological development and demonstration in renewables and energy efficiency in Europe.

Furthermore, the Commission will bring forward new concrete actions, in particular a coordinated biomass plan to enhance biomass energy development in the EU, a strengthened effort in favour of biofuels or an assesment for an off-shore wind policy for the EU, strenghteneing the necessary grid infrastructure.

In view of the Bonn World Renewable Energy Conference in June 2004¹ the Commission confirms that energy, and in particular renewable energy, is one of the key priorities to alleviate poverty and to achieve long-term sustainable development.

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¹ The World Renewable Energy Conference, to be held in Bonn in June 2004, will follow up the WSSD in Johannesburg in 2002. It aims to produce a strong political declaration together with an ambitious international action plan for the promotion of renewable energies.