

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

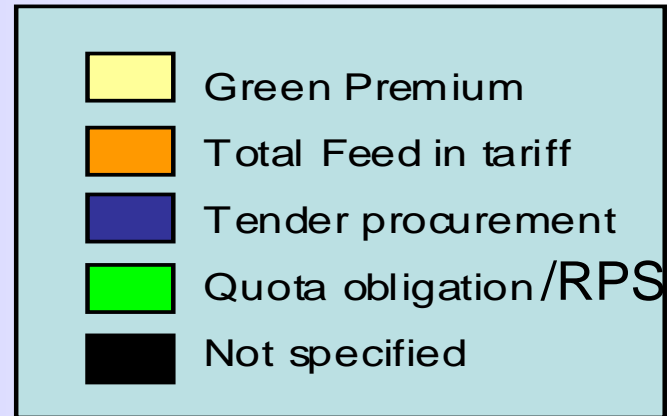
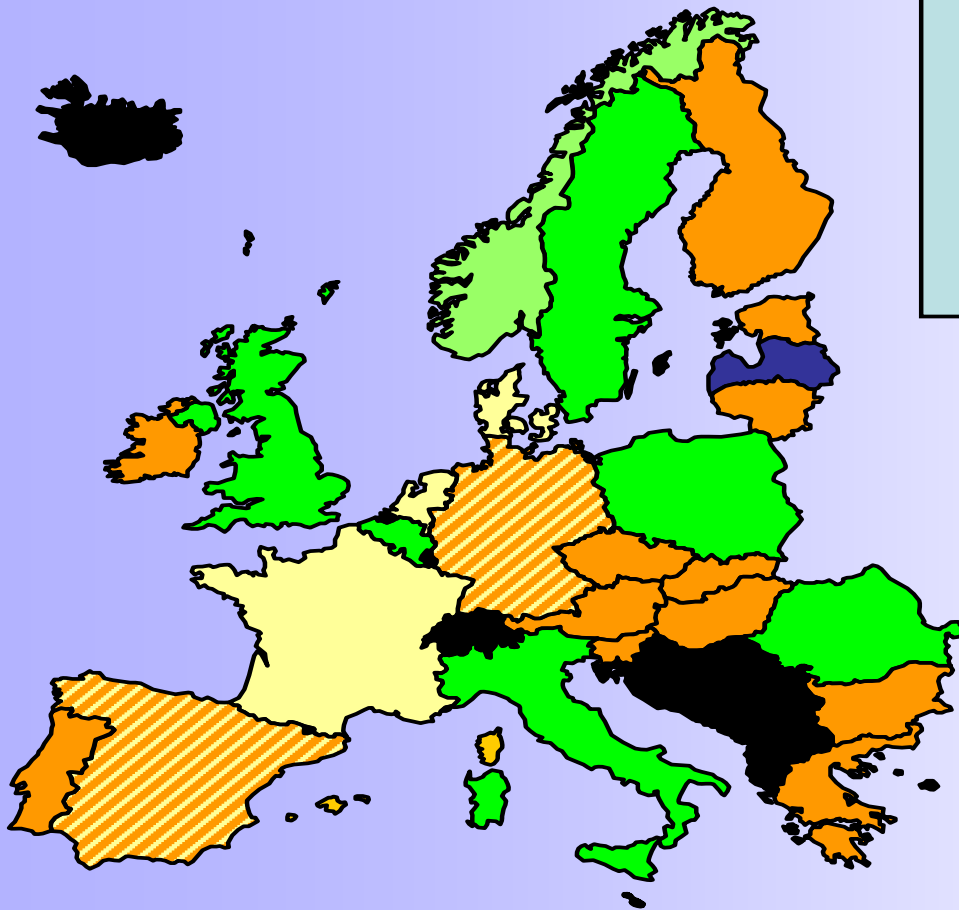
- **Renewable directive**

- 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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