



Implementing the cooperation mechanisms of the RES directive – current status and open questions

Corinna Klessmann, Ecofys Germany/Netherlands

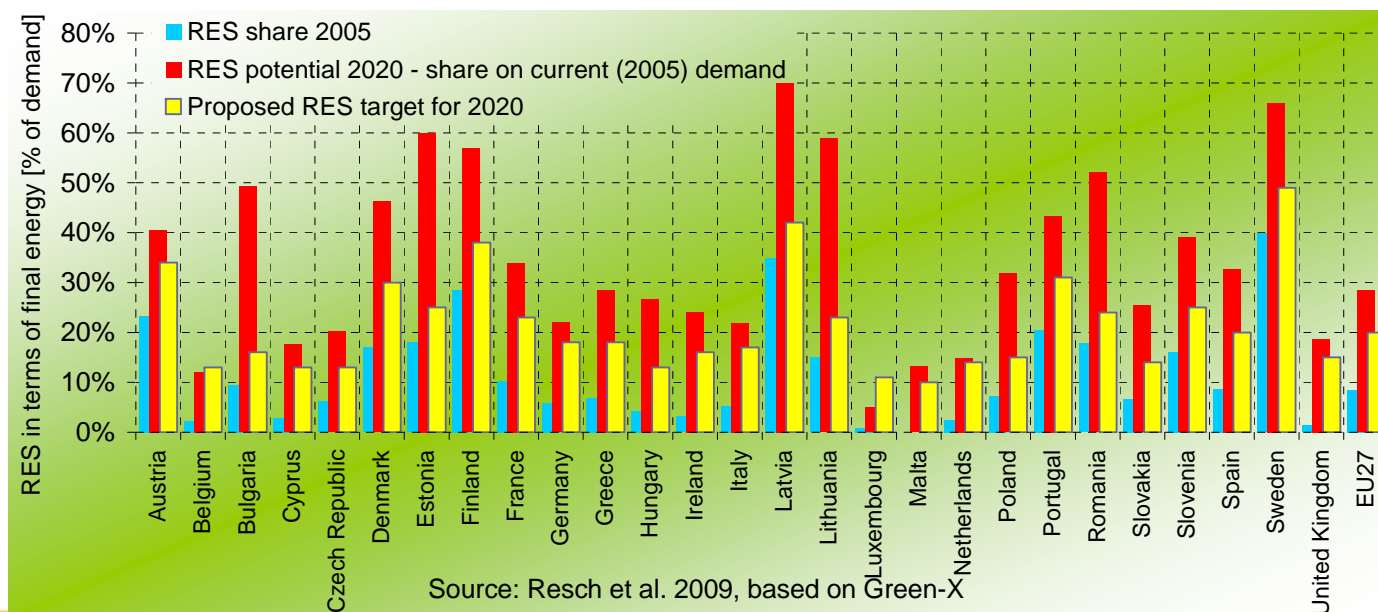
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Introduction to the Cooperation Mechanisms (CoopMechs)

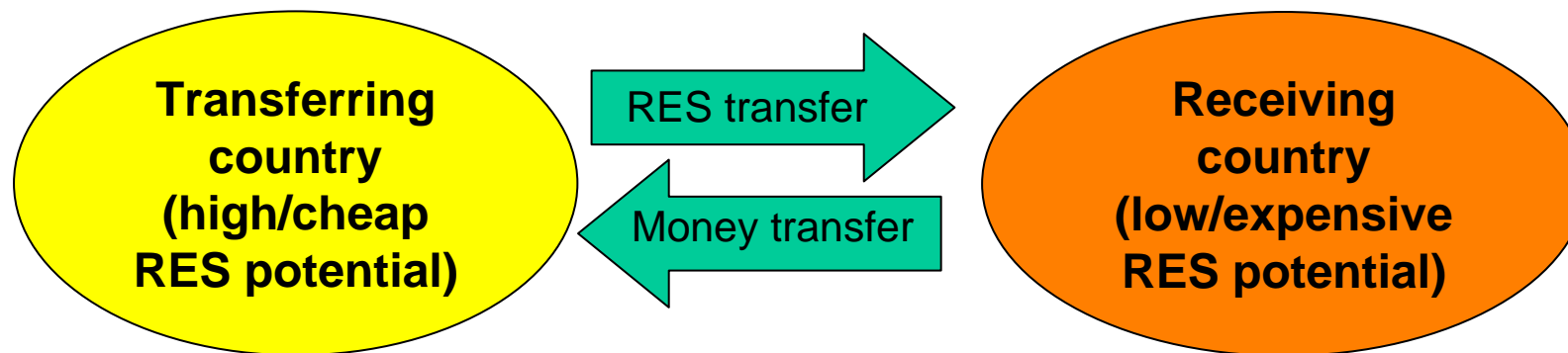
Motivation of the CoopMechs

- Directive 2009/28/EC sets binding national RES targets that do not correlate with the domestic RES potential in the Member States (MS)
- Target flexibility: allow MS with low and/or expensive RES potential to partly fulfil their RES target in other countries
- Cost savings: reduce overall costs for achieving EU 2020 RES target

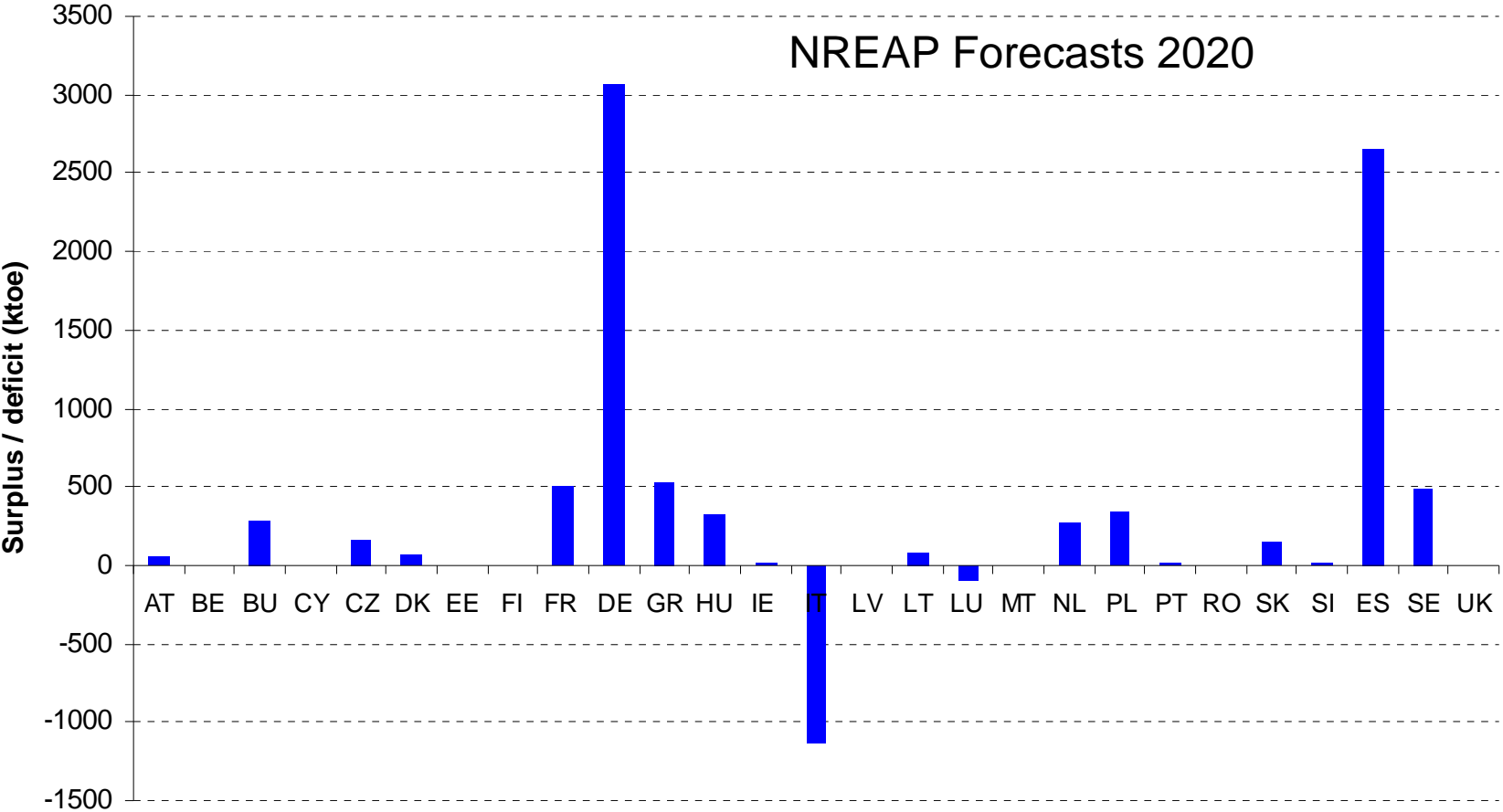


The principal mechanisms

- CoopMex defined in Directive 2009/28/EC
 - Statistical transfers between MS
 - Joint projects between MS
 - Joint projects between MS and third countries, under the condition that RES electricity is imported to the EU
 - Joint support schemes



National RES Action Plans (NREAPs): Only few MS plan to have a deficit and use the CoopMechs...



...but many want to explore them as fall-back or export option



Current plans of the Member States

- Most MS plan to fulfil their RES targets domestically, but recognise the uncertainty of their projections
- Italy and Luxembourg plan to use joint projects and/or statistical transfers for target achievement
- Sweden plans joint support scheme with Norway

- Also other MS show interest in the CoopMex; first bilateral and group discussions

Focus of the discussion between Member States (and third countries)

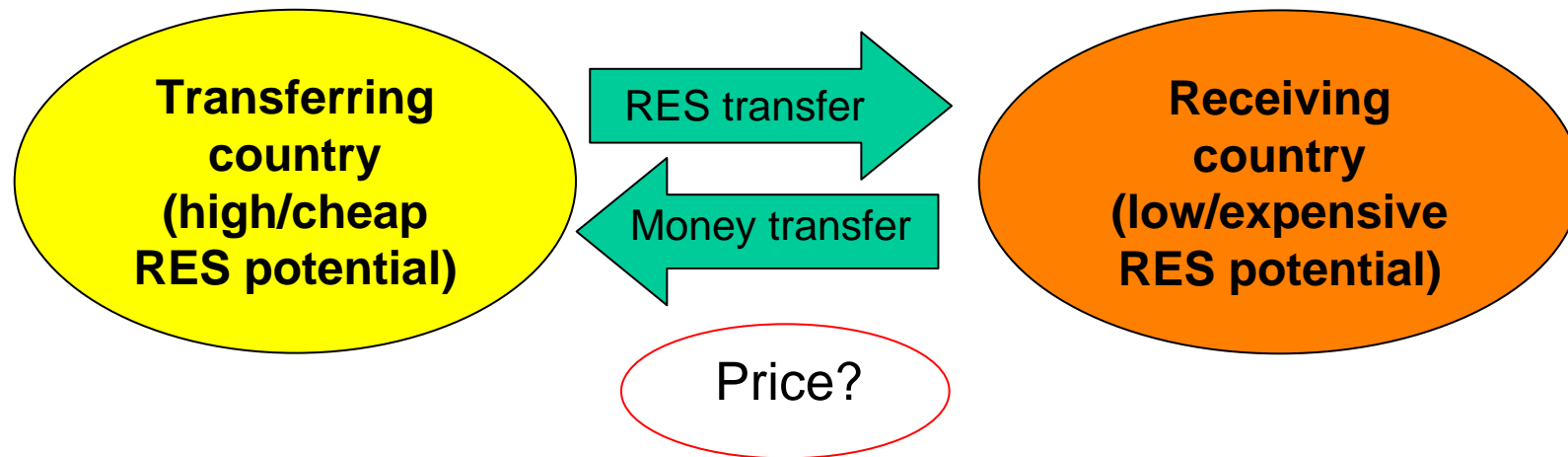
- Special interest in joint projects with third countries
- High interest in technologies and regions that are already in the focus of international cooperation:
 - Solar power imports from North Africa (e.g. Mediterranean Solar Plan, joint projects Italy-Tunisia, France-Morocco, etc.)
 - International cooperation on wind offshore in the North Sea
- Focus on RES electricity, despite some low cost RES heat potentials
- Open issues of designing the framework for practical implementation

Statistical transfers

Major issues for implementing statistical transfers

- How to deal with the uncertainty of 2020 forecasts?
- How to ensure public acceptance?
- How to determine the price of transfer?

Principle transactions of statistical transfers between MS



MS will determine the price based on their support costs, but also on other domestic costs and benefits

Costs and benefits of RES in the transferring country

Direct costs

- Policy costs of the primary support scheme

Indirect costs

- Indirect policy costs (e.g. tax rebates, soft loans, etc.)
- System integration costs
- Societal and environmental costs
- Possibly: Increased costs to reach the national RES target due to “sell-out” of low-cost potentials

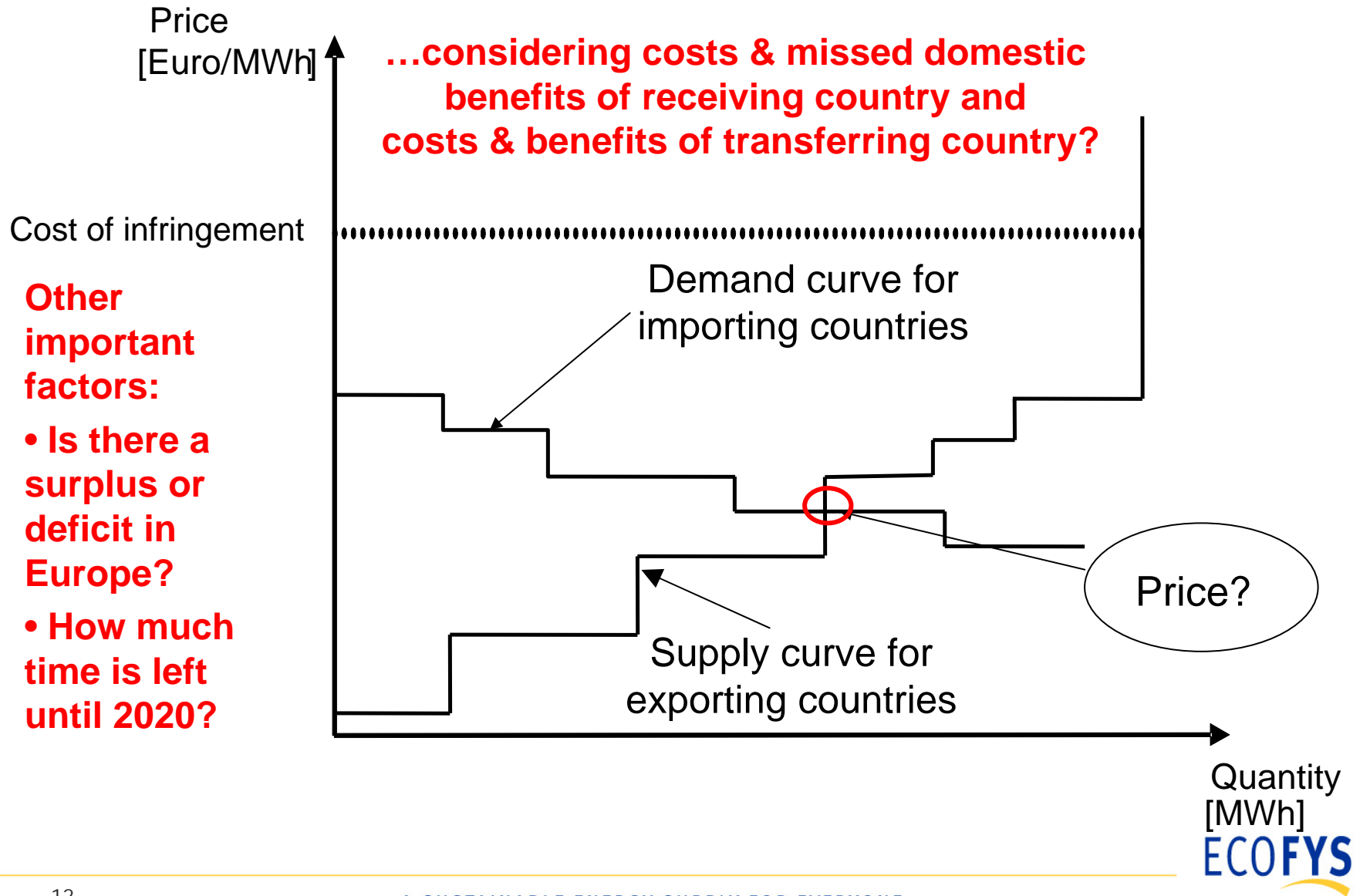
Direct benefits

- In case of statistical transfer: financial income from the RES transfer

Indirect benefits

- Increased security of supply
- CO₂ reduction and step towards low-carbon economy
- Local job creation, industry development and added value
- Environmental benefits (reduced air pollution etc.)

What price will emerge...

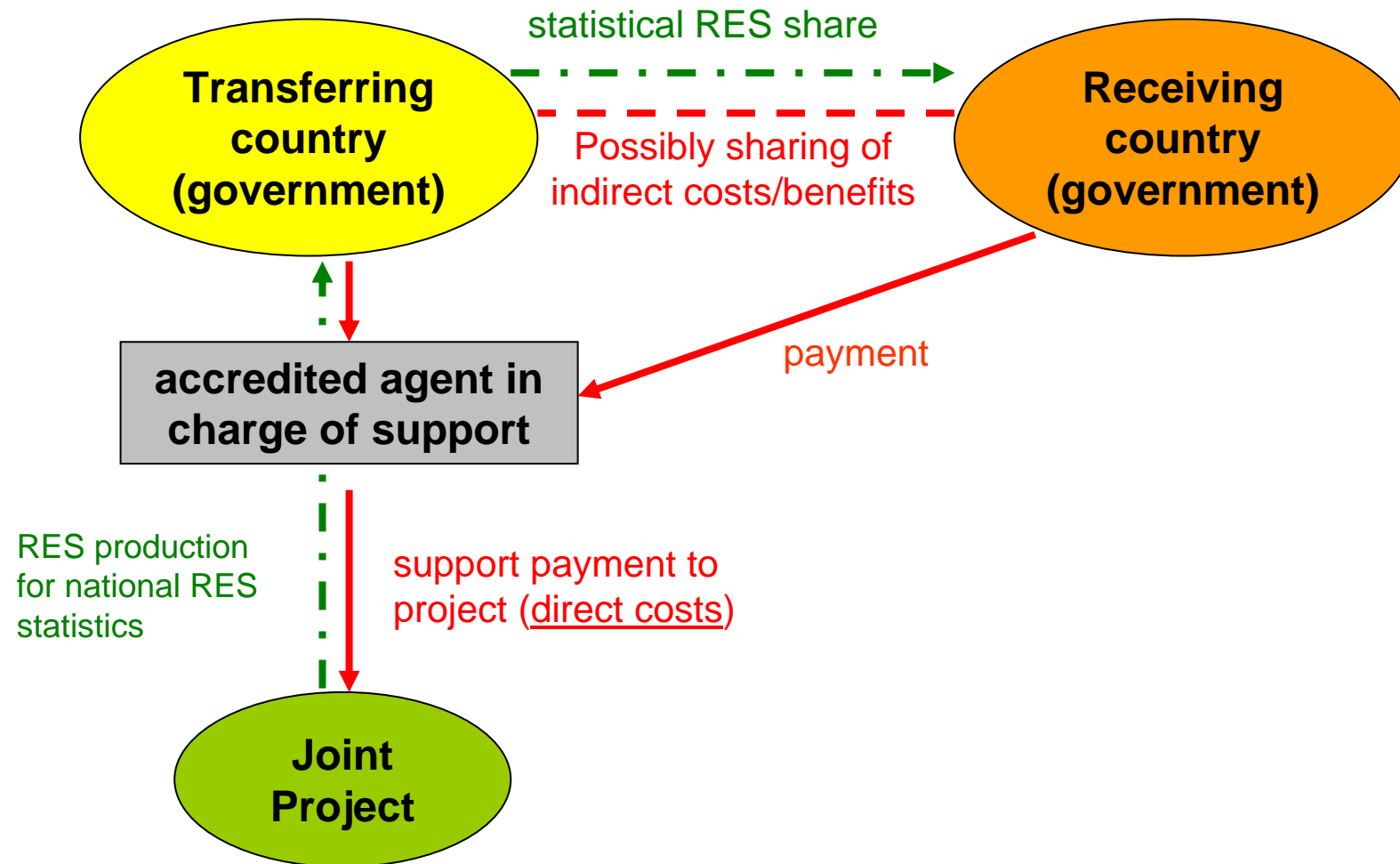


Joint projects between Member States

Major issues for implementing joint projects between Member States

- Definition of the support mechanism for joint projects (how will the support be paid?)
- Institutional set-up (who will pay and monitor the support?)
- Impact on (and of) the domestic RES support scheme of the exporting MS (how to keep joint project and domestic support as separate as possible?)
- How to share direct and indirect costs and benefits?

Transfers and payments under joint projects

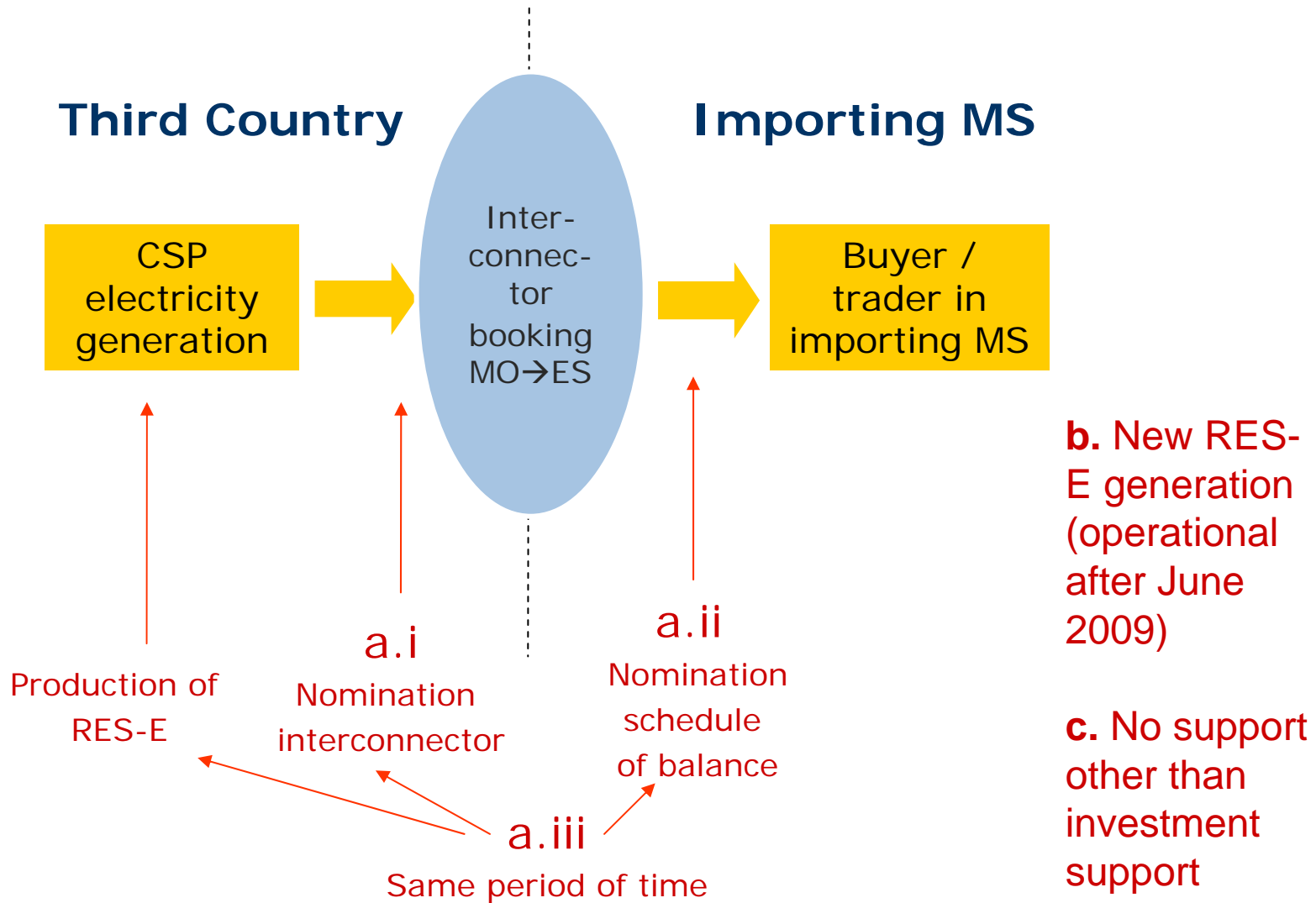


Joint projects between Member States and third countries

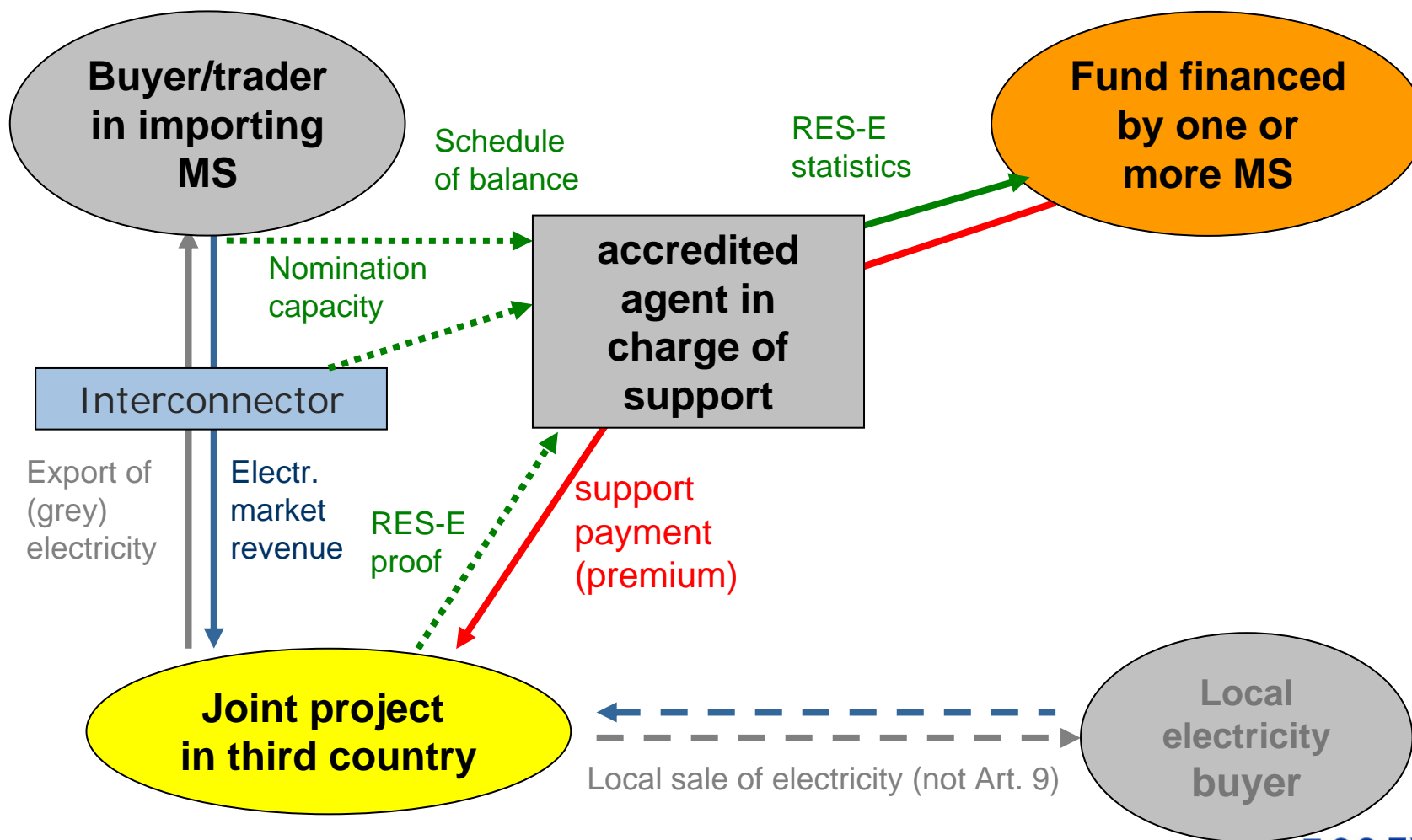
Additional issues for implementing joint projects with third countries

- Definition of support mechanisms and insitutional set-up (see joint projects between MS)
- Proof and tracking of RES generation
- Proof and tracking of physical electricity import
- Electricity import only into the EU or also into the receiving MS?

Joint projects with third countries: Required proofs (Art. 9 RES directive)



Example joint project with third country: Feed-in premium support

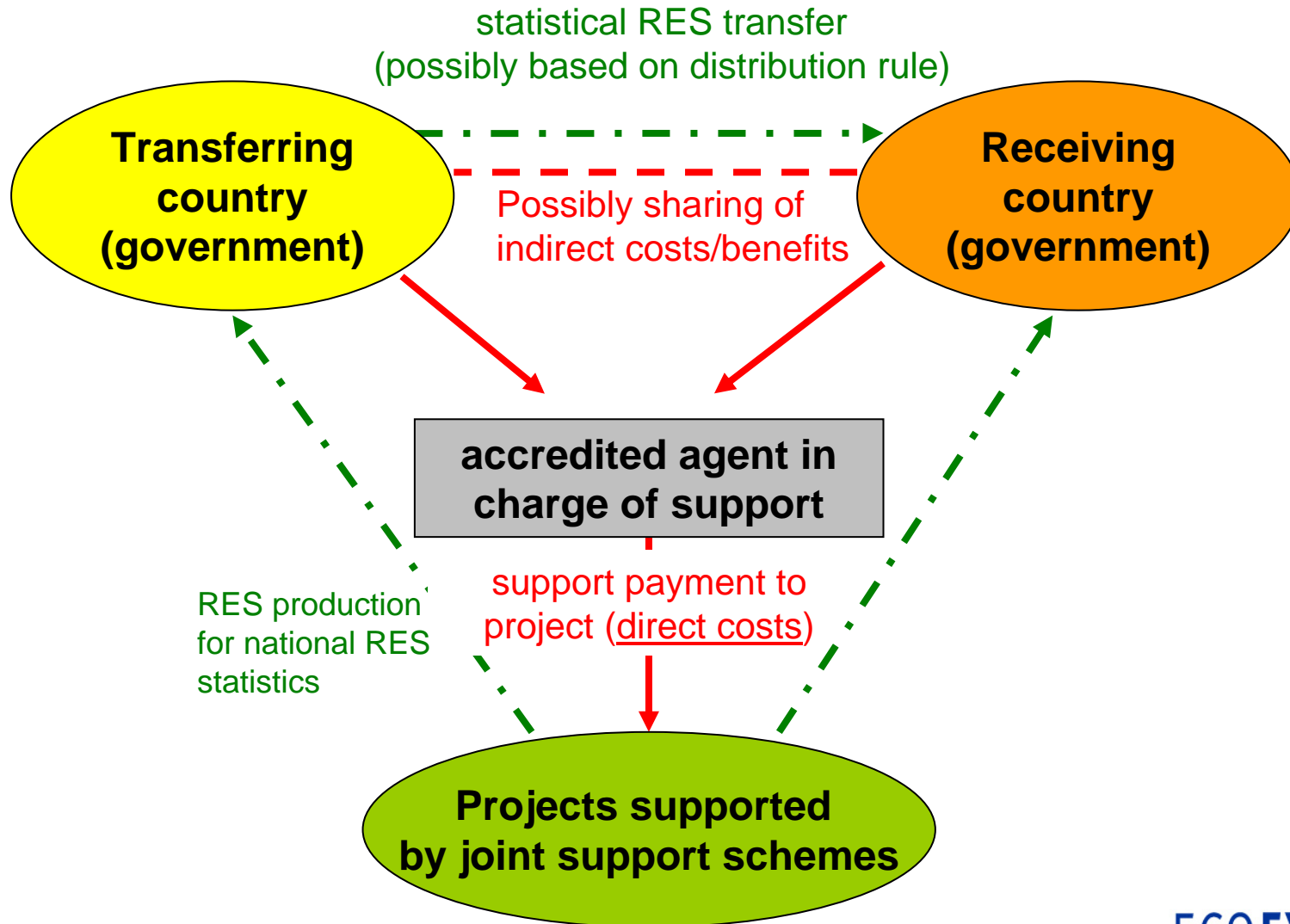


Joint support schemes

Major issues for implementing joint support schemes

- All RES or only partial harmonisation?
- Distribution rule for RES statistics and costs & benefits
- Convincing the parliaments of the involved countries

Transfers and payments under joint support schemes



Conclusions

- The three cooperation mechanisms can be seen as hierarchy from short term to long term commitment. The institutional complexity rises in the same order.
- Price determination and the sharing of costs and benefits is a major issues under all mechanisms.
- The implementation of first practical examples will play an important role for showing how the mechanisms can work.

Thank you for your attention!

Ecofys Germany GmbH
Corinna Klessmann

T: +49 (0) 30 2977 3579 21

E: c.klessmann@ecofys.com

W: www.ecofys.de