



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

Corinna Klessmann, Ecofys Germany

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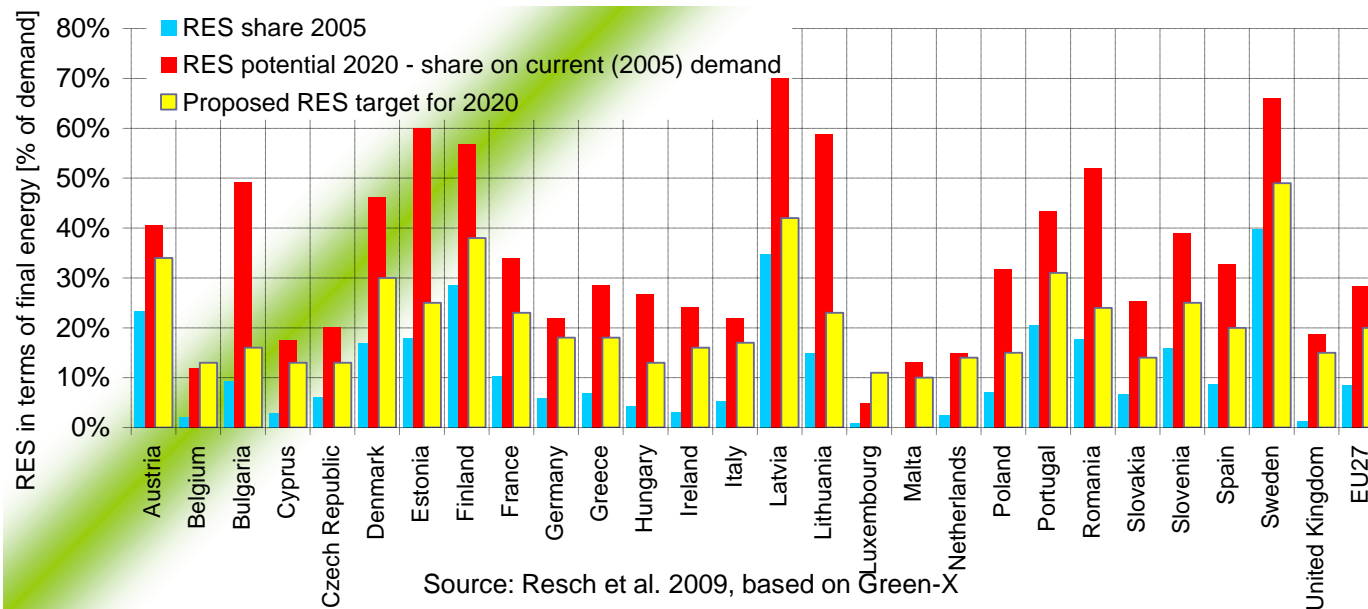
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Content

- Introduction to the Cooperation Mechanisms (CoopMex)
- Status and open questions for implementation
- Principal transactions of the three CoopMex

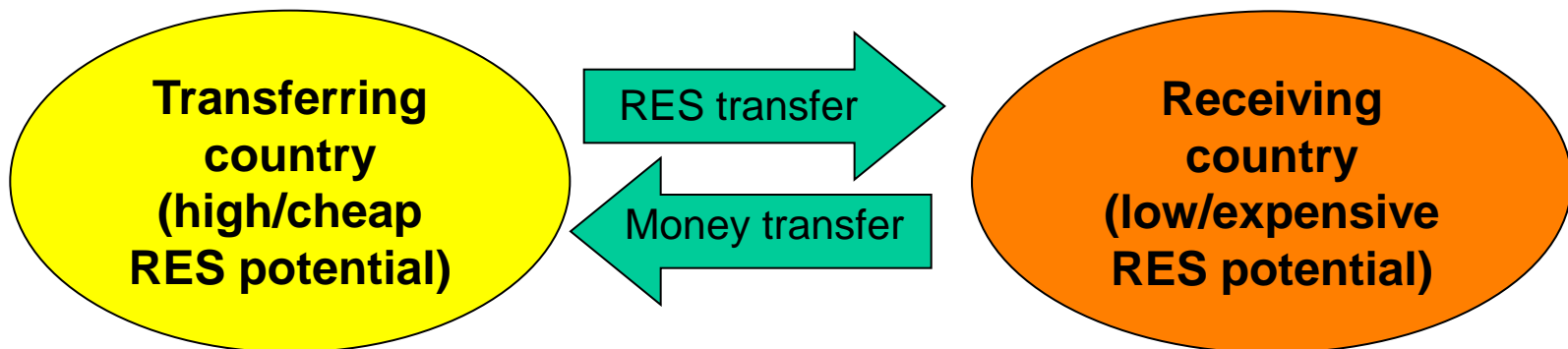
Motivation of CoopMex

- Directive 2009/28/EC sets binding national RES targets that do not correlate with the domestic RES potential in Member States
- Target flexibility: allow Member States 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

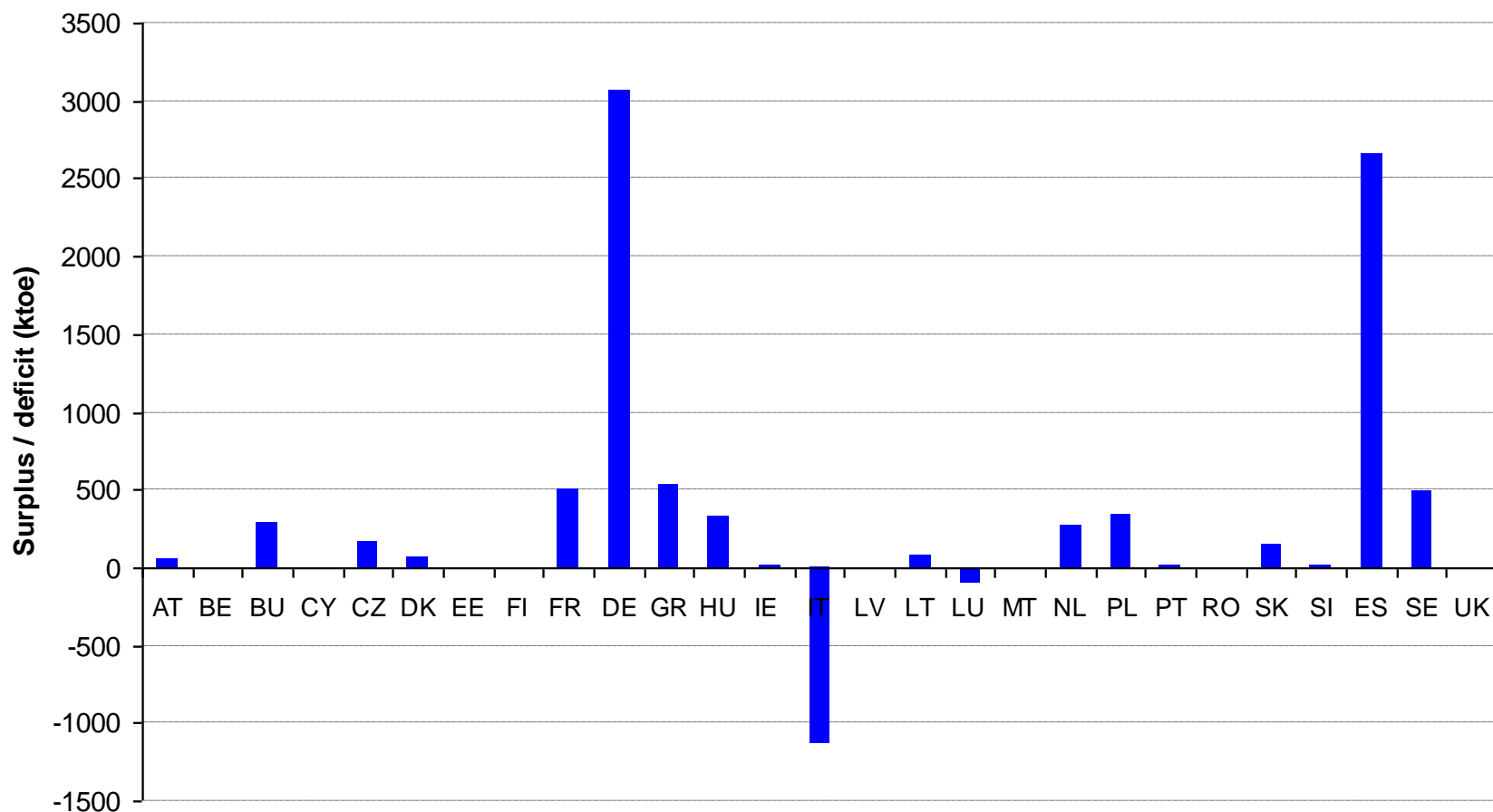


The principal mechanisms

- 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



Forecasted RES deficit/surplus in 2020



Source: NREAPs

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 statistical transfers and/or joint projects for target achievement
- Sweden plans joint support scheme with Norway

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

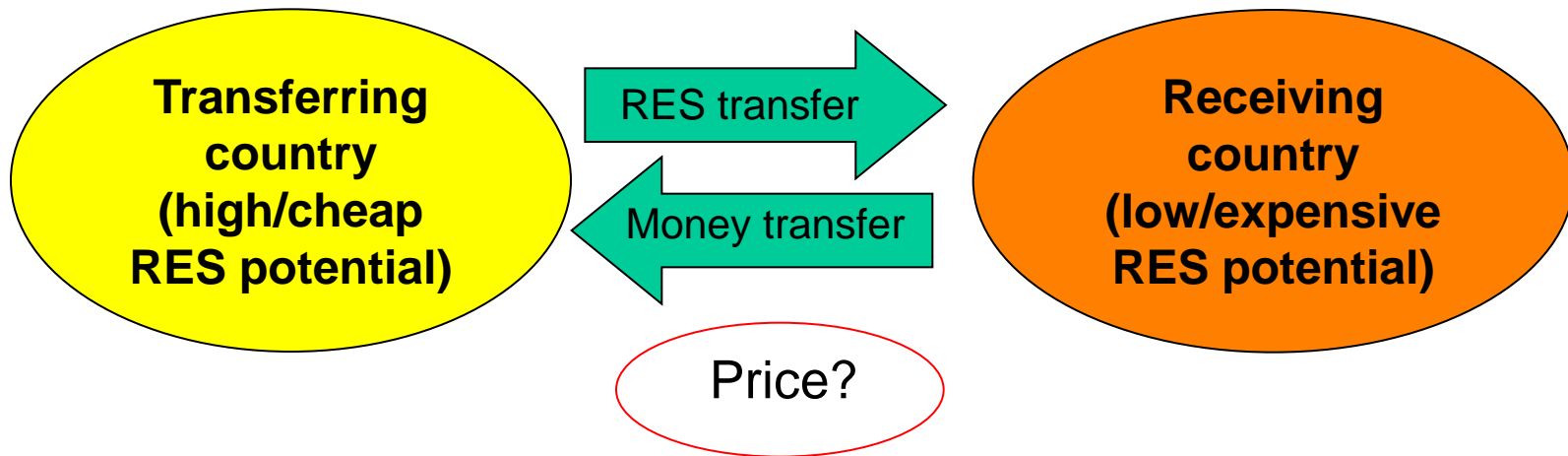
Focus of the discussion between Member States

- High interest in technologies and regions that are already in the focus of international cooperation:
 - Solar power imports from North Africa
 - International cooperation on wind offshore in the North Sea
- Focus on statistical transfers and joint projects, rather than joint support schemes (exception: SWE-NOR)
- Focus on RES electricity, despite some low cost RES heat potentials
- Open issues of designing the framework for practical implementation

Major issues for defining the framework conditions for the use of statistical transfers

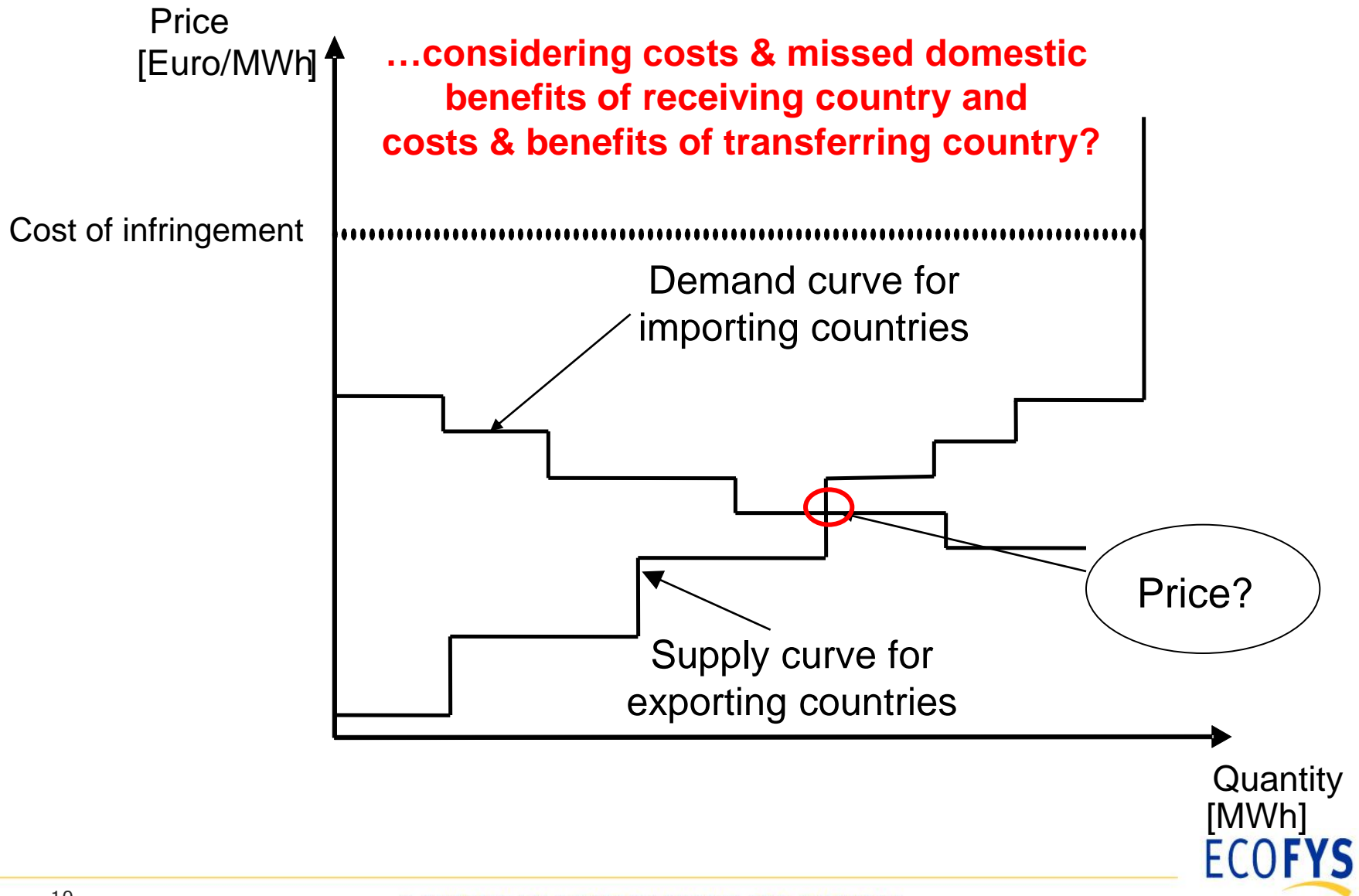
- How to deal with the uncertainty of 2020 forecasts?
- How to ensure public acceptance?
- How to determine the price of transfer?

Principle transactions of statistical transfers between MS



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

What price will emerge...



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

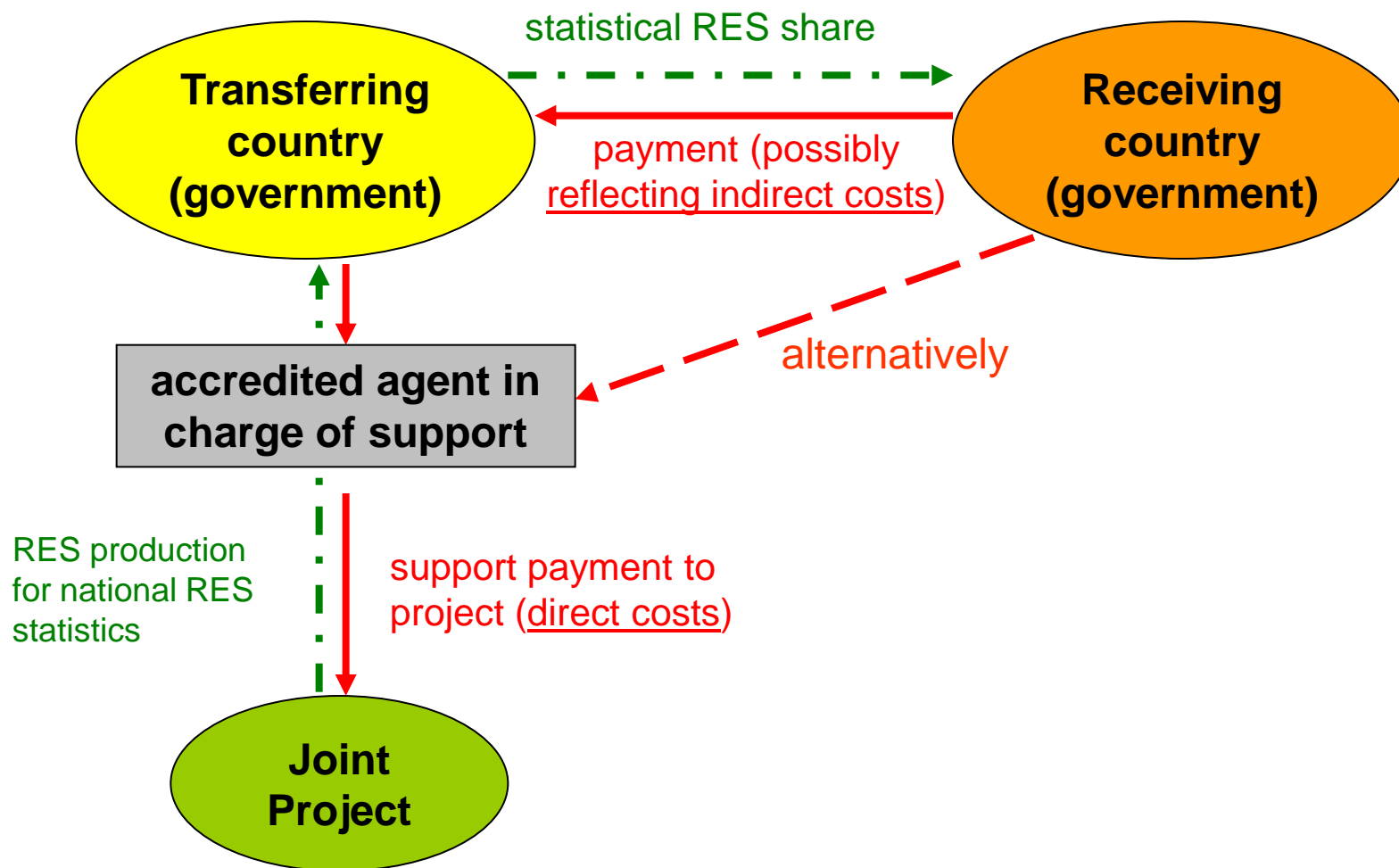
Indirect benefits

- 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.)

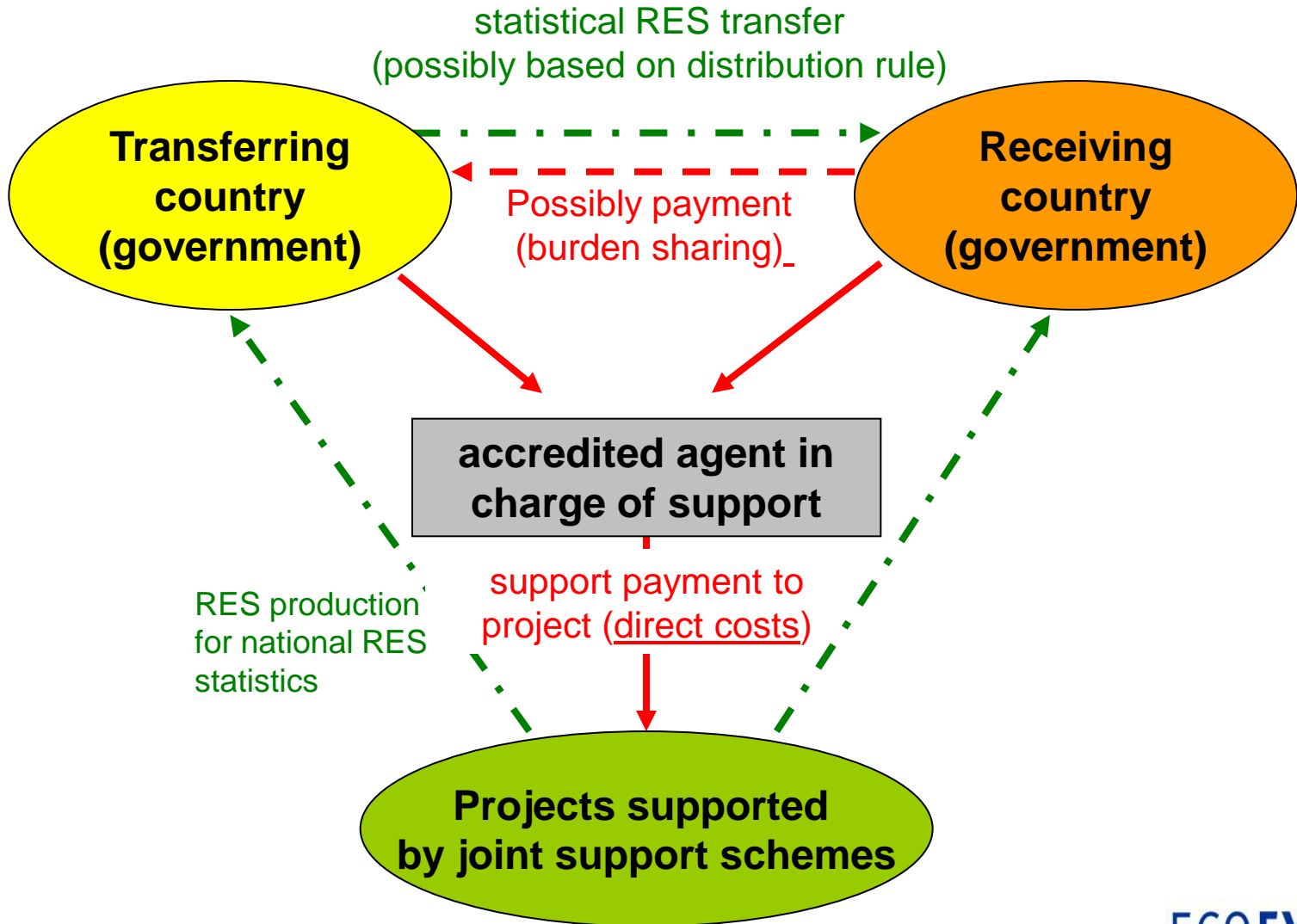
Major issues for defining the framework conditions for the use of Joint Projects

- Definition of the support mechanism for joint projects
- Institutional set-up
- Impact on (and of) the domestic RES support scheme
- How to share costs and benefits?

Transfers and payments and joint projects



Transfers and payments and joint support schemes



Conclusions

- The implementation of the CoopMex is still at an early stage
- 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