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RE-Shaping

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Overview of RE-Shaping project

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Workshop of the *RE-Shaping project:*

"Innovative financing schemes"

RE-Shaping
Shaping an effective and efficient European renewable energy market

Fraunhofer ISI · Energy Economics Group · ECOFYS · DIW BERLIN · Energo Banking · Universiteit Utrecht · KEMA · Università Commerciale Luigi Bocconi

Shaping an effective and efficient European renewable energy market RE-Shaping

Key Objective:

Derivation of effective and efficient policies supporting renewable energies in a liberalised European energy market and assisting EU Member States in the implementation of the RES Directive for 2020.

Participants:

- Fraunhofer Institute for Systems and Innovation Research (Fh-ISI), Germany
- Energy Economics Group (EEG) at the TU Vienna, Austria
- Ecofys b.v. (Ecofys), The Netherlands
- German Institute for Economic Research, Germany
- Lithuanian Energy Institute (LEI), Lithuania
- Utrecht University, The Netherlands
- EnergoBanking Advisory Ltd, Hungary
- Bocconi University, Italy
- KEMA, The Netherlands

Project's website: www.reshaping-res-policy.eu / Geographical coverage: EU-27

Policy needs: Monitoring of existing support instruments for RES and modelling of main policy alternatives is crucial for the future policy development.

Unbiased and scientifically robust analysis is needed in a sometimes controversial discussion on the optimal support strategy.

Target group: National and European policy makers, renewable branch organisations, RES generators, energy consumers and suppliers

Who benefits?

National and European policy makers gaining critical insight into the success and potentials for improvement of their support systems.

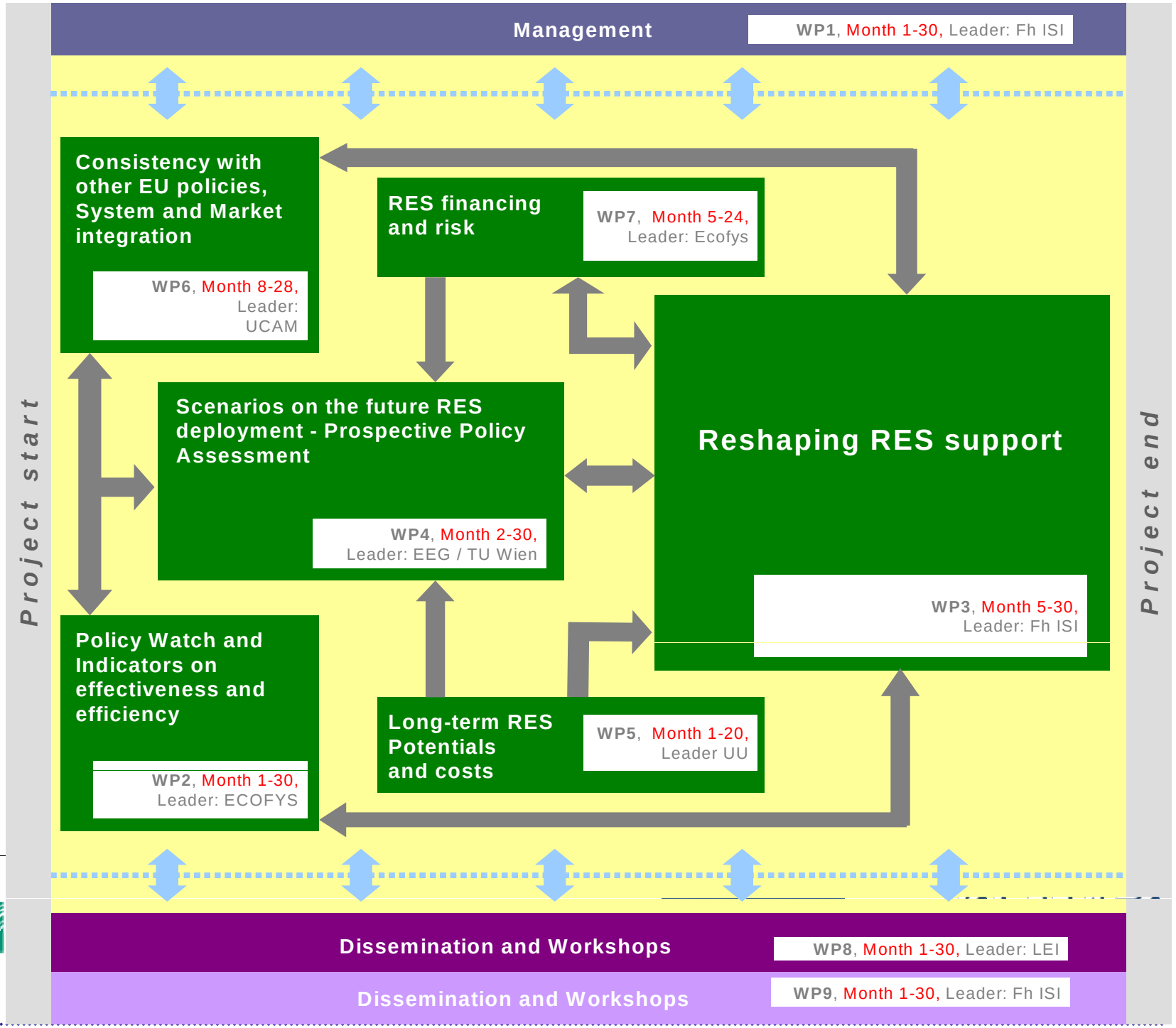
European energy consumers will benefit due to lower prices and higher RES deployment.

Main objectives

- Development of a **comprehensive policy background** for RES support instruments.
- Assisting Member State governments in **setting up sector specific RES targets and action plans for 2020 (and 2030)** as required by the proposed RES Directive.
- **Deriving best practice RES policy options**, including cooperation mechanisms to allow the achievement of national 2020 targets at lowest costs for European consumers.
- Producing a **sound analysis of an in improved integration of RES policies with emission trading, the internal energy market and innovation policy**.
- Providing Member State governments **detailed and scientifically based input on diverse support policy options for RES**; in this respect assisting Member State governments in developing sound policies to foster RES market penetration as required by the proposed RES Directive.

Main objectives

- Providing the European Commission and Member States with scientifically based and **statistically robust indicators to measure the success of currently implemented policies**.
- Proposing **innovative financing schemes**, which allow for lower costs and better capital availability in RES financing.
- Initiation of **National Policy Processes** which attempt to **stimulate debate** and offer a meeting place for key stakeholders aiming to discuss drawing up and implementing RES targets as well as options to improve national policies to foster RES market penetration.
- Assessing options to **coordinate or even gradually harmonise national RES policy** approaches.
- **Communication and dissemination** of the project results to all major stakeholder groups in the EU Member States.



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Methodology

- Statistical analysis of historical data / development of quantitative indicators for success and failure of RES support schemes
- Profitability analysis of investments in RES projects
- Stakeholder consultation – internet based and by personal contacts
- Analytical analysis of market and policy interactions
- Quantitative analysis of the costs and benefits of present and future policy options based on the techno-economic model *Green-X*

Main outputs of the project

- A **“policy watch”** database on country-specific RES support and market development will be derived by means of a frequently updated database containing all relevant policies in the RES electricity, heat and transport sector for the EU-27.
- **Indicators** measuring the effectiveness and efficiency of existing policies will be further developed and updated for the EU-27. Moreover, the scope of the assessment will be extended by deriving suitable indicators also for the deployment of RES technologies in the heat and transport sector and including further elements such as grid and system services and risks.
- The **future design of RES support instruments** will be proposed by further optimising national policies on the path towards stronger coordination and harmonisation. This includes improved consistency of RES policies with the internal market and emission trading, a better integration with innovation policy as well as innovative financing schemes.

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Main outputs of the project

- **Novel accompanying flexibility instruments** for RES target achievement as proposed in the RES Directive will be analysed. In line with the ongoing policy debate, impacts of cooperation mechanisms on the future RES deployment and its associated costs will be analysed.
- **Scenarios on future deployment** of RES will be derived indicating the consequences of policy choices. This will contribute to derive recommendations on how to implement sector targets for RES in national action plans. The **long-term perspectives for RES beyond 2020** will be assessed thoroughly and incorporated into the model-based assessment.
- **Novel financing schemes** will be proposed aiming to reduce the investment risk and increasing the available capital for RES.
- **Several workshops and expert talks** will serve to initiate frequent and intense discussions between EU, national, local and regional policy makers, regulators and TSOs / DSOs.

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