



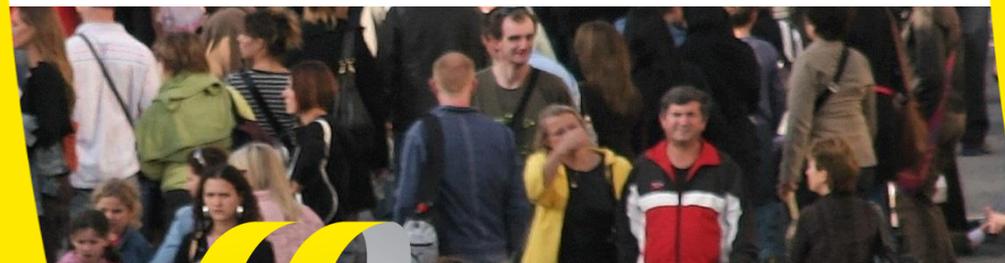
Mid-term evaluation of the Renewable Energy Directive

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Content of this presentation

- The project
- Methodology
- Main conclusions
- Best practices and key issues
- Main recommendations

The project

- Mid-term evaluation of the RED
- Driven by the REFIT requirement
 - Assess the administrative burden for administrations and business at Member State level
- Used as input for the Commission's RE progress report and the work on the new legal framework for post-2020
- Consortium:
 - CE Delft
 - Ecologic Institute
 - Ricardo-AEA
 - REKK
 - E-Bridge
- Project duration: July 2014 - April 2015



Objectives

- To provide a mid-term evaluation of the RED.
- Assesses **relevance, effectiveness, efficiency and added value**
 - of the RED as a whole and
 - of the articles laid down in the Directive.
- Understand a number of core issues:
 - Identify **best practices**: what provisions are most effective and efficient, and what can we learn from this;
 - Implementation and enforcement **challenges and failures**;
 - **Administrative burden** on public authorities and economic operators;
 - **Impacts and effects**, both financial and non-financial;
 - **Key bottlenecks and barriers** to achieving the directive's provisions in an effective and efficient way;
 - **Solutions** that might resolve the issues and improve the provisions.

Methodology

1. Identify the intervention logic for the RED and each provision
 - Rationale, objectives, expected outcomes and impacts
2. Develop evaluation framework
3. Draft article assessment reports
 - Available literature and data, EU-level stakeholder interviews
 - Assessing relevance, effectiveness, efficiency and added value
4. Six country case studies:
 - Bulgaria, Estonia, Germany, Poland, Spain and Sweden
 - Assessment based on literature and national stakeholder interviews
5. Synthesis of the findings
 - Conclusions regarding regulatory fitness
 - Best practices and key issues
 - Recommendations

Stakeholder interviews

- Country case studies strongly based on stakeholder interviews
- Aim: to interview a diverse group for each country.
 - Policy makers, regulators, utilities, industry associations representing RES and conventional, research centres and consumer organisations
- 3-8 interviews per country, depending on response
- A number of EU-level interviews.
 - NGOs, CEER (Council of European Energy Regulators), RECS International, EWEA.

Main conclusions on individual provisions (I)

- The binding targets and indicative interim targets are an important driver for RES policies and investments in many Member States.
- The planning, monitoring and reporting obligations enable quantitative analyses and improve transparency.
 - NREAPs, interim targets, progress reporting.
- Very limited use of cooperation mechanisms so far, but various MS are starting to explore possibilities.
- Good progress regarding administrative procedures in some MS, but still an issue in most MS.
 - Germany, Denmark have high quality procedures in place;
 - In Italy, France, Cyprus, for example, permit procedures for large RES projects can take up to seven years.
- Progress and effects of provisions on information, certification and training vary significantly between MS, various barriers were identified.

Main conclusions on individual provisions (II)

- Guarantees of Origin have increased transparency on RES generation, reduced fraud and improved standardisation throughout the EU.
- Provisions on grid access and operation, notably priority access, are crucial to RES growth in many Member States, but progress varies between Member States.
- Biofuels sustainability criteria effectively reduce direct environmental impacts of the biofuels used in the EU.
 - GHG saving effects lower than anticipated as indirect emissions not yet covered by sustainability criteria.
 - ILUC directive is addressing this shortcoming.
 - Many Member State policies for the coming years still need to be decided on, investments in the biofuels sector very limited.

General conclusions on the RED (I)

- Relevance: all RED provisions are found to be relevant.
 - RED is a key contributor to EU-wide RES deployment, contributes to reduce GHG emissions and increase security and supply.
- The administrative burden seems reasonable.
- A number of provisions are both effective and efficient.
 - Targets and measures (Art 3), NREAPs (Art 4), biofuels provisions (Art 17-19, 21(b)), reporting (Art 22, 23).
- Too early to draw conclusions on a number of provisions.
 - Cooperation mechanisms (Art 6-12); Admin procedures, RES in buildings, heating (Art 13); Information, certification, training (Art 14); Guarantees of origin (Art 15).
 - Due to lack of data (Art 13, 14), delays in fully implementing all aspects (Art 13, 15), limited use (Art 6-12).

General conclusions on the RED (II)

- The resulting EU-wide transition is more cost efficient than a transformation on a smaller scale.
- Relevance, effects and efficiency of provisions may vary significantly between Member States, depending on national ambitions, starting point and implementation.
- A stable post-2020 policy that includes a continuation of these measures can enhance the effectiveness and efficiency of the RED provisions.
 - Will enhance investor certainty;
 - Increase the incentive for governments and stakeholders to put in the effort needed.

Best practices

The provisions found to be effective and efficient have the following qualities

- Both mandatory and well defined.
- Implemented by national authorities.
 - Provisions that require specific actions at regional or municipal level require more time for implementation.
- Have relevant rules and regulations defined from the beginning and remain stable during the duration of the regulation.
 - Otherwise, both MS and investors are hesitant to decide on longer term policies and strategies.
 - Likewise, clarity about longer term objectives important.
- EU level sustainability certification of specific commodities can be effective and efficient.

Key issues and barriers

- Issues and barriers were identified for each provision.
- May serve as learning points for the 2030 policy framework.
- Some issues relevant throughout the EU, for example:
 - Mutual recognition of certificates between Member States still challenging due to different criteria, training content etc.
 - Biofuels investments postponed/affected by the delay in ILUC decision-making process.
- Some issues only relevant in some Member States, for example:
 - Some Member States have made good progress streamlining administrative procedures, others have done very little so far.
 - Priority grid access interferes with security of supply in some Member States, due to grid capacity issues.
- Potential solutions for these issues were identified, but an impact assessment on these options has not been part of this study.

Example key issues and barriers Art. 13: Administrative procedures, RES in buildings, heating

- Lack of awareness and knowledge at local level.
- Lack of ‘Quality One-Stop-Shopping’ in many Member States.
- Complex and/or drawn-out granting and licensing procedures.
- Municipal sector involvement without clear rules.
- RES in buildings: many still have to fully implement certain aspects of Article 13(4).
- Limited evidence on whether the technical specifications constitute a barrier, nor whether they have improved as a result of the RED.
- Social acceptance of RES is a significant barrier in many MS and the localised nature of the planning process can be affected by this
 - through reluctance of municipalities to grant planning permission and slowing down the processes due to appeals from the community.
- etc.

Example identified solutions Art. 13: Administrative procedures, RES in buildings, heating

- Provide information on the characteristics of quality One-stop-shopping to help MS translate this to their situation on the municipal level.
- A public benchmarking tool could allow MS to assess their own procedures and compare them against those of other MS in order to learn from those who perform well.
- The scope of the second half of Article 13 overlaps with the EPBD. Such overlaps should be avoided in the future, reference could be made to another piece of EU law.
- Organise an exchange forum for industry and Member States to facilitate learning and best practices exchange on administrative procedures, RES in buildings and heating.
- Provide more guidance from the Commission on the specific steps that Member States can take to improve local planning processes;
- etc.

Main recommendations

- Maintain current provisions to ensure a stable framework until 2020.
- Provide additional guidance on some provisions.
 - E.g. for streamlining administrative procedures (13).
- Decide on the longer term policy framework for RES regulation well before 2020.
 - Take learning points from RED into account;
 - Aim for a seamless and efficient transition from the 2020 to the 2030 package, to encourage investments before 2020.
- Ensure streamlining of RES-related policies.
 - State Aid guidelines, ETS, Fuel Quality Directive, energy infrastructure policies, EPBD, etc.

Specific recommendations

- The report provides recommendations for improvements for each article, mostly for post-2020 framework.
- For example:
 - Continue efforts to enhance the transparency of Member State policies and targets beyond 2020.
 - Strengthen the role of these mechanisms in the post-2020 policy framework, not just as a means to meet a target but also to reduce RES deployment cost and to seize opportunities for cross-border cooperation.
 - In the 2030 regulation, consider making the requirements regarding administrative procedures more specific, for example, by defining the maximum duration of administrative procedures for RES permits (distinguishing between different technologies).