Harmonising of support mechanisms in the EU

Stefan Schurig
Head of climate-energy unit
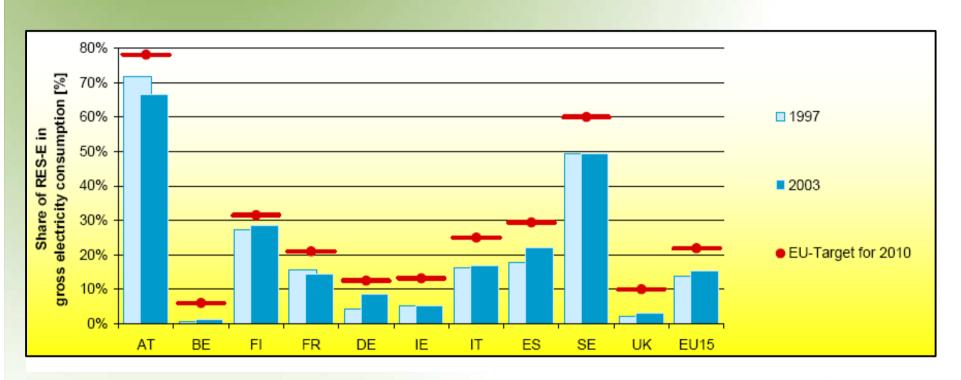
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The EU is an essential element in delivering sustainable, competitive and secure energy for European citizens.

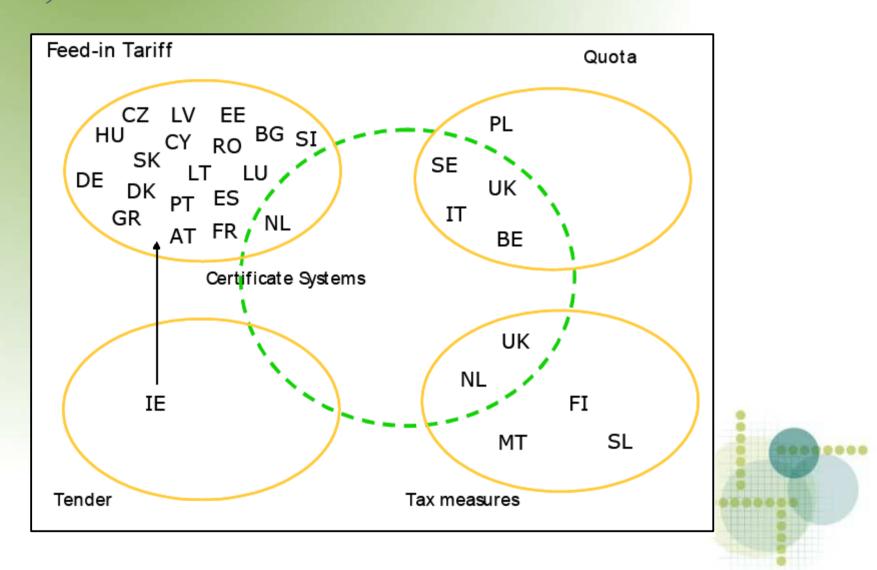José Manuel Barroso, President of the European Commission

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Status quo and targets of EU-15
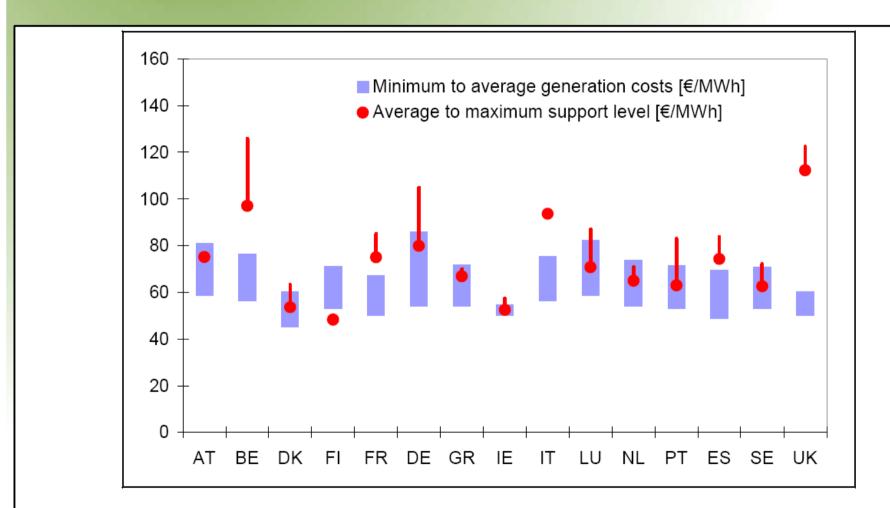

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Renewable electricity support systems in EU-25 & BU, RO

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Effectiveness of national support mechanisms

Price ranges (average to maximum support) for direct support of <u>wind onshore</u> in EU-15 Member States (average tariffs are indicative) compared to the long-term marginal generation costs (minimum to average costs). Support schemes are normalised to 15 years.
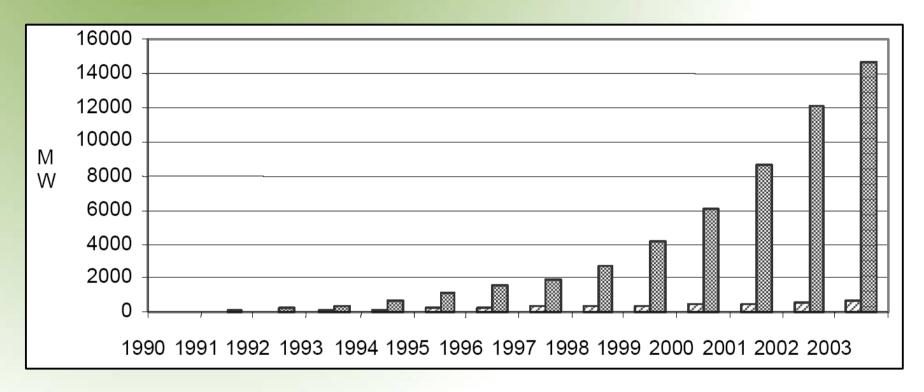
State of EU

- Target for 2010 is hard to reach
  → Support of RES-E required even more
- Different support mechanisms in power
- Support mechanisms have varying levels of implementation and success
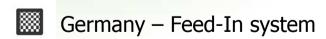- No single european electricity market

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University of Cambridge: Feed-in, Quota and Auction systems

- Renewable deployment better with Feed-in

- Price difference between systems is lower than expected

- Higher competition among turbine producers and constructors with feed-in system

- Low level of competition at operational stage for all systems

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Installed capacity

Germany – Feed-In system

UK – Quota- and Auction-based system

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Greenpeace:
Most effective support mechanism

- Feed-in systems
- Fixed-premium systems

  → effectively attracting investments

  → creating investor confidence

  → reaching national targets

  → creating technology diversity

Coordination instead of Harmonisation

- Major threat for renewables: uncertainty for investors

- Harmonised community-wide support mechanism would be premature

- Harmonisation might slow down expansion

- No practical evidence of effectiveness beyond feed-in and fixed premium systems

- National support mechanisms should guarantee adequate return on investment

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What the EU should do

- Improve framework for renewable energy
- Introduce detailed recommendations for member states
- Improve legislation at european level where necessary

  → limiting the variety of systems

  → leading to bilateral cross-border agreements where similar systems exist

  → clustering of systems

  → generating more experience

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Thank you for your attention!

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