

Replies for Hans' interview on "Renewable energies and European policy"

In light of the current economic crisis strongly affecting sovereign debts of EU members, Governments are cutting the aids sustaining renewable energies and a lot of companies are facing bankrupt. By your opinion, will this endanger the achievement of European objectives?

Since the adoption of the, the EU renewable energy sector has developed faster than foreseen. Many Member States have experienced rapid growth in the deployment of renewable energy technologies and as a result 18 Member States are currently ahead of their renewable energy trajectory as set out in the Directive. Driven by economies of scale and technology improvement, unit costs of different renewable technologies have decreased by up to 50%. This is particularly the case for solar PV. In this context, the Commission has stated that reforms of renewable energy support schemes are needed to reflect the declining production costs of renewable energy.

However we have also repeatedly said that reforms must be undertaken following best practice across Europe, striving to minimise disruption and confusion to both investors and the renewable energy industry, who are creating the jobs and growth that are urgently needed, particularly in those countries experiencing economic recession. The bottom line is that feed-in tariff reductions do not mean diminished policy support to renewable energy. Rather, the cuts are a sign that some renewable energy technologies are becoming competitive compared to conventional energy technologies and moving towards a stage where public support will no longer be necessary.

Common opinion is that the current crisis is not temporary, but will last for several months. Will this make the achievement of the 20-20-20 target more challenging? And, will the European Commission continue pursuing the 20-20-20 Strategy started in 2008?

While the economic crisis obviously affects the achievement of the 20-20-20 targets, it is worth to note that it does not necessarily mean that of will be more difficult to do so. As showed in Commission analysis of May 2010¹, reaching the 20% GHG emissions reductions target and the 20% renewables target for 2020 has lower costs in absolute terms than originally foreseen: the costs for energy users in the year 2020 have fallen to an estimated €48 billion, or 0.3% of GDP, with further expansion of renewable energy accounting for a major part of this. This is not an estimate for any reduction in GDP. It rather represents an additional investment in the future, estimated at €34 billion annually over the period 2016-2020.

¹ Commission Communication 'Analysis of options to move beyond 20% greenhouse gas emission reductions and assessing the risk of carbon leakage' {SEC(2010) 650} <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0265:FIN:IT:PDF>

A few months ago, news reported that EU member states were intentioned to review energy efficiency objectives as economic crisis was making original targets too costly to achieve. Which are EC concrete actions aimed at achieving the 20% target?

According to the analysis put forward in the 2011 EU Energy Efficiency Plan, the EU will seriously fall short of achieving its 20% energy efficiency objective and rather reach about 10% energy savings in 2020. To close the gap, the Commission has tabled a proposal for an energy efficiency which puts forward precise instruments for all sectors of the economy. This proposal is presently discussed with the European Parliament and the Member States. Energy efficiency brings economic growth and local jobs, i.e. the closing of the remaining gap to the 20% target is estimated to mean increase of EU GDP by €34 bn in 2020 and increase net employment by 400 000 jobs.

EU Commission expressed, within several different contexts, the basic principle “those who pollute, have to pay”. At which point is the transposition of this principle into regulations?

This principle is at the core of the 20-20-20 targets and package. For instance, through the EU Emission Trading Scheme, the EU has set a "cap", or limit, on the total amount of certain greenhouse gases that can be emitted by industries, power plants and other installations in Europe. Within this cap, companies receive emission allowances which they can sell to or buy from one another as needed. The EU ETS has put a price on carbon emissions and these emissions from installations covered by the scheme are falling as intended. The changes to be introduced in 2013, notably a progressive move towards auctioning of allowances, will further enhance its effectiveness.