



*PROPOSAL FOR A DIRECTIVE
FOR THE PROMOTION OF ELECTRICITY
BASED ON RENEWABLE ENERGY SOURCES*

PROJET DE DIRECTIVE
POUR LA PROMOTION DE L'ELECTRICITE ISSUE
DE SOURCES D'ENERGIES RENOUVELABLES

OPINION FROM ENERGIE-CITES

AVIS D'ENERGIE-CITES

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Introduction : towards new rules of the game in the electricity sector

1. The first step in the construction of the new European electricity system - the opening up to competition - is currently being implemented through national laws implementing the electricity Directive. However, the Electricity Directive mainly responds to one single objective out of the three guiding the European Union's energy policy: competitiveness. A second step should now consist of establishing new conditions which also ensure, in the long term, the fulfilment of the other objectives of the European Union in the field of energy: supply and environmental security - particularly the respect of the Kyoto commitments. The objective of promotion of renewable energy, as defined in the White Paper "*Energy for the future : renewable energy sources*", is one of the answers to this challenge. It essential that sufficient account is taken of it as far as electricity is concerned.
2. Taking into account the necessity for a sustainable energy policy integrated into other Community policies, an initiative aimed at promoting renewable energy for the production of electricity has also to be motivated by other considerations than energy, such as:
 - > local development, employment and social and economic cohesion. These themselves are stimulated by an increased use of renewable resources since they are primarily local and dispersed resources, to be consume where they are produced,
 - > the potential for industrial and engineering development, linked to a European renewable energy industry, which can only have positive repercussions at a local, European or International level.

Position

As a result, Energie-Cités:

1. Supports the principle of a Directive intended to define the conditions for the inclusion of a significantly larger share of renewable energy in the public electricity supply. This is because the legal tool chosen for security of supply and environmental issues has to be the same type as that used to meet the competitiveness objectives. The part of electricity from renewables by the year 2010 has to be compatible with the objective of the White Paper and has to be defined in the Directive.
2. Stresses the fact that this Directive will have to define an objective for the promotion of renewable energy, and that this consideration must prevail over all others, particularly those concerning the conditions for competition between energy sources. In a more competitive energy system, the realisation of the full potential of new technologies - such as renewable energy - is only possible with specific measures of support, all the more so since no mechanism yet exists for the integration of the external costs of traditional energy. All forms of energy have benefited - and sometimes still benefit - from such support.

3. Believes that it is essential that this Directive should set objectives quantified by Member State and that these objectives need to be restrictive, that is to say with penalties imposed in case of failure to meet them. One of the corollaries of this is that the Committee should get the means to observe and monitor, and so to permit it actually to carry out its true role.
4. Would like it to be a requirement on Member States to define Action Plans designed to ensure that they actually reach the quantified objectives that will be defined in the directive, in the different fields where it is possible to act : administrative, fiscal, legal, financial, etc. The right of Member States to choose their means of achieving the objectives has to be respected. Nevertheless they have to be compatible with intra-Community exchanges of electricity from renewable resources, for example via green certificates.
5. Asks that, in this framework, the future Action Plans of Member States should include an element concerning local and regional energy policies. This would stimulate local authority initiatives, for example by compelling local authorities to identify local renewable energy resources and by defining action plans enabling them to be exploited. Decisions are mainly taken at local level when dealing with decentralised energy; thus, initiatives have to be set up and promoted at this level.
6. Insists that a European Union policy aimed at improving energy efficiency should be rapidly adopted, incorporating practical measures similar to those defined above, because it would be useless to increase the potential supply of energy, even energy based on renewable resources, in a situation of uncontrolled growth of energy consumption in Europe. Increasing the part of renewable energy implies a control of consumption, otherwise it would simply represent additional production.

And finally, Energie-Cités expects:

1. that the programmes for the promotion of renewable energy (ALTENER, ENERGY) should be pursued and developed, because accompanying and support measures will still be essential for a long time, and because not all renewable energy is used for electricity production, but some is used for the production of heat and cold,
2. that the Community programmes aiming at regional (structural Funds) or urban development should include more objectives in terms of renewable energy, and that the Committee should take initiatives in this direction,
3. to be practically involved, together with the networks of island and regional authorities active in the energy field, in the discussions and the preparation of Community proposals on this matter in order to work out practical propositions. Local energy policies in this field - such as sustainable urban energy planning - are perfectly complementary to sectoral policies.