Energie-Cités' Opinion

on the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the promotion of the use of energy from renewable sources[1],

Brussels, 23.1.2008, COM(2008) 19 final

Renewables are also an asset for local and regional development!

Energie-Cités welcomes the Proposal for a Directive on the promotion of the use of energy from renewable sources and especially appreciates *mandatory targets set at EU and national levels as well as the long awaited integration of heating and cooling - which was largely ignored in the past.*

This is a crucial step towards achieving Europe's energy and climate objectives, and this integrated view will help to avoid many past mistakes in the future, such as large scale supported electricity production from biomass without cogeneration of heat in France for instance. Indeed, local resources and potentials have to be used in an optimised way for the local benefits.

In the context of runaway oil prices, climate change and economic slowdown, local decision makers are the trustees for a bottom up development and enhanced energy security based on energy efficiency, decentralised energy production, especially from renewable energy sources. Energie-Cités – by reinforcing local capacities – is encouraging European local authorities to strive for a brighter energy future where local communities would become 'power plants' via their positive-energy districts and buildings.

However, we feel the Commission is most concerned about the difficulties to attain the overall 20% RES objective set by 2020.
This could explain the fact that the Commission is maintaining its proposal for quantified objectives on agro-fuels for transport as well as adopting a misleading definition for heat pumps. We cannot accept such compromises just to keep objectives on track while completely disregarding ecological and social points of views.

Therefore, Energie-Cités is willing to point out the following issues:

Renewable Energy: 'fuel' for urban and regional development

a. **Urban or regional development could be or should be the ultimate reason** for deploying RE solutions, not simply regarded as benefits (positive externalities) of renewable energies, but also in a way to re-localised energy patterns and supply. In some regions of Austria for example, biomass has been developed primarily as a response to challenges of deprived regions to create new activities, jobs, and keep money for energy at 'home'.

b. Integrated renewable energy and energy efficiency solutions **help fight urban areas', economical activities' and citizens' energy vulnerability** and overcome fuel poverty. Cost-effective and easy to use technologies, such as passive use of solar energy, recovery of energy from waste can be used within social housing and residential areas. These aspects are not really considered in the Proposal, although they are a strong lever to increase the part of renewable energy in the energy balance.

c. Renewable energy **enhances local identity and serves for territorial marketing** purposes as well. The City of Freiburg identifies itself today as the 'Solar City' or more recently 'Green City'. Växjö is well known to look into a fossil fuel free energy future. Developed in close cooperation with local stakeholders, businesses and citizens, renewable energy solutions become more accepted and objectives easily achievable.

[1] http://ec.europa.eu/energy/res/legislation/doc/strategy/res_directive.pdf

Objectives: ambitious, but realistic, *socially* and environmentally viable

d. **Ambitious mandatory targets and integrated promotion of RES** for heating and cooling, electricity and transport are very much appreciated. However, it should be explicitly mentioned these targets must: a) not only comply with environmental constraints, b) but should also be socially viable. For the moment, agro-fuels do not seem to fulfil this latter concern (See point f.).

e. **In this respect, mandatory interim targets** must ensure the incremental achievements - not simply 'Indicative trajectory' (Annex I. point B) which could be used as a pretext for any delays.

f. **10% target on 'biofuels' must comply with sustainability patterns.** The latest scientific and political evidence have shown that imposing a binding target on fuels for transport produced from biomass (at approx. 20% conversion efficiency) could not be achieved in a sustainable way, unless more efficient ways of secondary generation can be guaranteed. Otherwise, biomass could be more efficiently used for other energy purposes such as electricity combined with heat (and/or cool) production (at a min. 80% conversion efficiency).

g. We may understand the impossibility of measuring passive use of renewable energy. However, not to set **passive solar energy** on top of the agenda in the Proposal might give wrong signal to architects, planners and investors. The RES Directive Proposal cannot only consider the 'supply' point of view. Promotion of passive solar energy use would represent an ideal integration of demand and supply.

h. **Heat pumps** are a means of more efficient use of electricity (mainly produced from fossil and fissile primary energy sources). Only the part which exceeds the non-renewable primary energy input required to operate the systems has to be taken into any calculation.

'Internal market' vs. 'Small is beautiful' – preserving benefits of decentralised energy supply

i. **Key benefits of renewable energy** include the smaller, local and decentralised energy production that results in more local jobs, boosted local economy, enhanced energy security and less waste on electricity grids due to lack of long distance transmission.

j. However, the objective of the **integration of the internal market introduces a contradictory incentive** in the system by saying: instead of buying from our 'local grocery', go to the 'supermarket and buy from far away'. In addition, as small producers are often discouraged or have disadvantaged access to the grid ('supermarket'), this can lead to a conflict between local energy security and the integration of the internal market. Will our future energy system in the EU be based on a local, decentralised production integrated with local consumption within smart grids or rather supply from unknown, far-away sources, exposed to the risk of vulnerable supply and volatile market prices?

k. Consequently, **priority access to the electricity grid and distribution channels must be secured for small renewable energy producers**; both in terms of charges, but also guarantees and administrative procedures facilitated. Local production should feed the local distribution grid first and then provide the national and international transmission grid with additional capacities. In consequence, such "avoided costs" must be considered to encourage integrated local production-distribution-consumption cycles.

Carrots and sticks for boosting renewable energies

l. **Human and financial resources**. Successful renewable energy policies require the mobilisation of various actors, from forestry to installers, plumbers, roofers, from wood industry to planners and architects, from specialised advisors, agencies, to promoters and developers, from banks, insurances, ESCOs to land use regulators and planners, etc. All these activities should cooperate effectively - especially at the local level. Therefore clusters must be encouraged by national regulations.

m. **Feed-in-tariffs** have been proved by the analysis of the European Commission to be the most powerful and cost effective tool to increase the share of renewable electricity in the EU. However, the Proposal does not refer at any point to feed-in-tariffs that should be promoted.

n. **Priority access to gas and heating/cooling networks** should be ensured and feed-in-tariff systems promoted for renewable energies in both networks.

o. **Guarantees of Origin (GoO)** as tradable certificates – independent from the physical transport of electricity – are proposed instead. Energie-Cités sees that this system cannot guarantee reliable information for consumers in a different Member State on the 'renewable' character of its electricity,

but this system of tradable GoO can undermine well established system of feed-in-tariffs. This system of GoO does not apply for trading heating and cooling as it is mainly local, while it makes no proposals for biomass (pellets, wood chips), which is a shortcoming of the Proposal.

Decrease the 'cake' first – integration with Energy Efficiency

p. It is not because renewable energies are 'renewable', that they are available in an unlimited way and can be used in an inefficient way. Thus, **the use of renewable energy** – in general – **must be combined with energy efficiency** (i.e. a building heated with wood pellets should be insulated before, electricity produced from renewable energies must not be spoiled in inefficient electricity appliances) and as far as possible biomass and agro-fuels must be used in energy efficient systems (such as cogeneration).

q. The promotion of renewable energy must be part of **an integrated approach**: the Proposal fails to refer to and create stronger links with the overall EU energy and climate objectives as well as the Directives on energy performance in buildings, cogeneration, eco-design, action plan to improve energy efficiency, etc.

r. **Decreasing our overall 'cake' of final energy consumption is the easiest and cheapest way** to guarantee a higher share of renewable energies from it. Governments and local authorities should link their national efficiency and renewable energy policies and start decreasing their own 'cake' first.

Integration of RE in urban and regional development plans

s. Energie-Cités strongly welcomes, the Proposal for legislations by Member States [Art12 (3,4)] that the *use of renewable energy 'must be taken into account' in urban planning, in building and construction laws*. However, renewable energy *'**must be part** (not only be taken into account) of the planning'* as well as regional and/or local public bodies must set up obligations to a *minimum use of renewable energies in the urban building plans.*

t. European legislation must ensure that **renewable energies are used to a minimum share in all buildings** when they are built or refurbished what will promote also high efficiency.

u. European legislation should also ensure that Member States **require local and regional authorities to integrate renewable / recovery energy resources** (principally biomass, geothermal or waste heat) **in district heating and cooling systems** whenever such systems are built or refurbished. Local renewable / recovery resources do not only mean a cheaper alternative to fossil resources, but also 'fuel' local development.

Local authorities lead the way in renewable energy

v. Local authorities of Vaxjo (SE), Grenoble (FR) and Delft (NL) as part of a CONCERTO initiative are accelerating innovation in renewable energy (RE) solutions integrated with advance energy efficiency (EE) and systems for poly-generation linked together with concepts for eco-buildings. http://www.concerto-sesac.eu/

w. Energie-Cités has been leading a visionary initiative (IMAGINE) to explore the energy future of our cities in a horizon of one generation. Working with European local authorities and a multidisciplinary team throughout Europe this initiative involves an annual seminar as well as a travelling exhibition of 16 municipalities with pioneering experience in renewable energy and energy efficiency. www.imagineyourenergyfuture.eu