Member states no longer on track for 2020 targets

By Dave Keating - 26.09.2012 / 18:50 CET

Three years after adopting a renewables directive that was meant to spur Europe into action, the push for renewables is being held up by the economic crisis.

When member states submitted their 'national renewable energy action plans' (NREAPs) to the European Commission in 2010, there were hopes that the EU could exceed its target of obtaining 20% of electricity from renewable sources by 2020. An analysis of the national plans by the energy project REPAP2020 found that 16 member states were on course to exceed their 2020 targets, and that the EU as a whole was set to achieve a 24.4% figure.

But since then concerns have grown that the economic crisis has distracted national governments from their obligations under the 2009 renewables directive.

Member states are still roughly on track, but recent developments in financing and subsidies have cast doubt on the next seven years.

"It's looking like effectively we won't meet our target of 20% renewables across the EU by 2020," says British Liberal MEP Graham Watson. "The market is waiting to see whether governments are actually going to [implement their NREAPs]."

The 20% target, coupled with targets for a 20% increase in energy efficiency and a 20% reduction in emissions, was tailored to local circumstances in the 2009 directive. Countries which already had a better than 20% share of renewables (such as Austria), were asked for even more, while countries lagging behind were given lower objectives. While Austria must achieve 34% and Sweden must achieve 49%, Belgium has to reach only 13% and Malta just 10%.

The directive required member states to submit the plans to demonstrate how they would meet their binding targets. In an assessment of their progress issued in January of last year, however, the Commission found that most member states had already missed the indicative targets for the electricity and transport sectors set by earlier legislation. The worst performers were Greece, Malta, Latvia and Estonia.

NEW REALITIES

Another element inhibiting investment in the sector is an increasing perception that policies can abruptly change, and not just in the area of...
subsidies. The debate around biofuel and biomass — elements once promoted by green campaigners but now slated for their effect on land use and global food supply — has made some investors nervous about the sector as a whole.

“This is an area where the goalposts move,” acknowledges British Liberal MEP Graham Watson. “Five years ago biofuels were all the rage. Now people are saying, actually there's a lot of evidence that lots of Amazon rainforest is being chopped down to make room for crops.” He said the situation has been similar for carbon capture and storage technology, in which carbon emissions are sequestered underground. Five years ago the parliament overwhelmingly supported this technology, but now there is doubt.

Earlier this month a leaked draft showed that the Commission will propose to limit the use of so-called ‘first-generation’ biofuel, which has been shown to use more land that would otherwise be used to grow food crops, to 5% of transport fuels in 2020.

The biofuel industry has reacted furiously, complaining that they had made investments assuming a 10% contribution to transport by 2020 based on the EU’s binding target.

The world is a very different place than it was when the climate and energy package was proposed in early 2008. These new realities may make it more challenging for member states to meet their renewable energy obligations than originally thought. But climate campaigners are hopeful that with continued pressure, member states will live up to their commitments.

**2030 TARGET**

Aside from the subsidies issue, one of the biggest debates has been over whether establishing an additional renewables target for 2030 would provide more investor certainty. The renewable-energy sector and environmentalists have shown enthusiastic support for the idea, but it has run up against strong resistance by a group of member states led by Poland.

No such 2030 target yet exists, but an energy roadmap published by the Commission in December of last year said that all the decarbonisation scenarios “suggest a share of renewables of around 30% in gross final energy consumption” for 2030. Poland insisted that this be taken out of the text, and other member states agreed. In the end, Poland still refused to sign up to the conclusions in the document because it contained references to emissions reductions in 2030.

Companies in the renewable-energy sector have said the EU's refusal even to refer to a 2030 target has hurt confidence in the sector and will inhibit investment. “The political commitment that comes along with a binding 2030 target would mean that the investment community wouldn't only be looking at a short timeline,” says Josche Muth, secretary-general of the European Renewable Energy Council. “At present the concern is whether in the current economic situation member states are able to commit to any further long-term policies. These are projects that have a lead time of 10-15 years; you need this long-term predictability.”

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