

New Energy Focus

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Hopes for Renewable Energy Directive agreement by Christmas

European negotiations on renewable and low carbon energy legislation are continuing this week, with hopes of a resolution on measures including the Renewable Energy Directive before Christmas.

Two of the main issues to be discussed are expected to be biofuels sustainability and a proposed review of climate change targets set for 2020 in six years' time.

MEPs are giving the European Union's Climate and Energy Package a debate in Brussels today, while tomorrow the Parliament will debate the measures with the EU Commission and Council in attendance.

EU energy ministers will then sit down in Brussels to look at the package again on Tuesday (December 9). Europe's Parliament is scheduled to vote on the measures on December 17 in Strasbourg.

Next week's meeting of EU ministers on the Transport, Telecommunications and Energy Council will also see discussion of the Commission's next legislative programme for energy, which concentrates on energy security issues (see this New Energy Focus story).

But the priority is to gain agreement before the EU Presidency leaves French hands on the current package, which includes the Renewable Energy Directive as well as measures on energy efficiency, emissions trading and carbon capture and storage.

The Renewable Energy Directive includes the key target for EU Member States to source 20% of energy from renewable sources by 2020, including a 15% target specifically for the UK.

The UK's renewable energy industry warned that if agreement is not reached before Slovakia takes over the EU Presidency, a "once in a lifetime" chance could be lost regarding renewable energy support.

The Renewable Energy Association said there was "very narrow window of time" for the European Council and Parliament to reach agreement on the "crucial" Renewable Energy Directive.

Speaking from Brussels, REA director general Philip Wolfe said: "If the European Union fails to reach an agreement in the next 10 days or so, the whole of the EU - including the UK - will have lost a once in a lifetime chance to promote renewables, make a lasting contribution to climate change mitigation and to ensure energy security for the future."

2014 Review

One of the sticking points in the current EU negotiations is a French proposal requiring a full review in 2014 of the 20% renewables target set for the deadline six years later.

The review, ostensibly to cushion the economy from the 2020 target, is being opposed by both environmental NGOs and the energy industry.

In an open letter to MEPs late last month, the industry group European Renewable Energy Council warned that the legal framework under the Renewable Energy Directive needed to be stable to ensure certainty for investors.

Warning that a 2014 would "jeopardize" renewable energy investments, EREC president Arthouros Zervos said: "We know that many private investors around the globe are waiting for this directive to be adopted in order to start investing hundreds of billions of Euros."

Suggesting a review in 2020 itself, Mr Zervos said: "A stable period of just 12 years would lower the risks."

Andy Atkins, Friends of the Earth's executive director, said: "Developing green power could kick-start exciting business opportunities and create thousands of new jobs. But investor confidence will be seriously damaged if the EU doesn't drop plans for a review of the Renewable Energy Directive in 2014."

Biofuels

In another particularly pressing issue within the EU negotiations - on biofuels - some consensus was beginning to appear last week regarding sustainability criteria and the inclusion of indirect land-use changes.

The criteria could be included within a new Fuel Quality Directive under the climate and energy package. Investor confidence will be seriously damaged if the EU doesn't drop plans for a review of the Renewable Energy Directive in 2014.

The latest thinking is that calculations of greenhouse savings in biofuels production should include indirect factors such as deforestation and the shift of any land from food production to fuel production.

However, there is yet to be an agreement on when to bring such requirement into force.

UK biofuels company Vireol, which is building two plants in North East England, has sent a new report on biofuels sustainability to lobby EU lawmakers ahead of this week's negotiations.

The company, which is developing identical sites at Immingham, Humberside and at Teesside to produce a total of 300,000 tonnes of wheat-based ethanol, is concerned that MEPs and EU ministers may slap restrictions on all types of biofuel, regardless of the source of feedstocks. It argues that biofuel feedstocks like palm oil should be distinguished from feedstocks like European wheat.

Vireol director David Knibbs said: "Despite some important government decisions looming, both in the UK and the EU, we are very concerned about top-level ignorance about good and bad biofuels. EU cereal bioethanol has huge potential. Policies must give the market a strong signal to invest in increasing crop yield, so that both food and fuel security are achieved - sustainably."

Climate targets

Meanwhile, MEPs on a temporary climate change committee said yesterday that the EU Commission ought to review the 20% carbon emissions goal set for 2020 within the Climate and Energy Package, suggesting it may not be enough.

The committee said a 25-40% level may be needed instead, along with an 80% target by 2050 that matches the UK's long-term aims for cutting greenhouse gas emissions.

The MEPs said to meet the higher climate change targets, a range of measures including energy, biofuels, energy efficiency and carbon capture would have to take place, as well as measures to cut the carbon footprint of other activities like agriculture, waste management and tourism.

Among the recommendations of the temporary climate change committee was the formation of a European "supergrid" for electricity and a rethink on any notion of setting quotas for biofuels.