

Renewable energy targets - why is the European Union involved?



The European Union has been busy setting out ambitious ideas for energy and climate policy - see [Energy for a Changing World](#), and the [climate change](#) and [energy](#) announcements made in January. But is it trying to do too much of the wrong thing in trying to determine member states' approach to renewables? I think so...

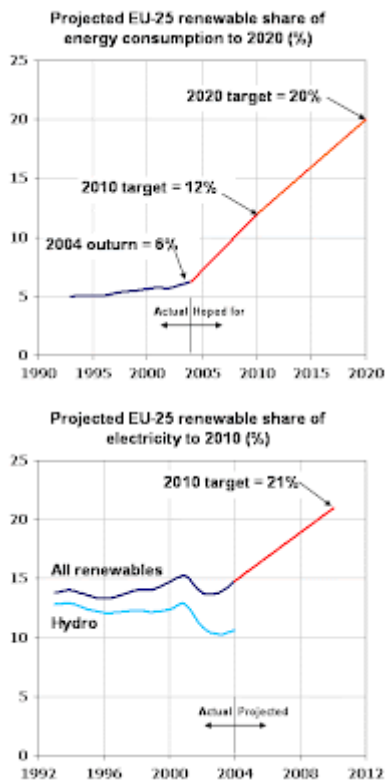
There are three main problems...

First, the EU is leaping ahead to set ambitious (perhaps reckless) targets for 2020 when it is far from likely that it will make its 2010 targets; second, it's not obvious if these targets would produce desirable outcomes even if they were achieved; and third, why should targets be set at EU level at all? The EU should let member states decide how to meet their Kyoto objectives - the approach fails on [subsidiarity](#) grounds. Let's look at the targets in more detail...

EU Council proposes 'tough' new targets for renewables

The EU's Council of Energy Ministers met on 15th February to finalise a package of energy policy reforms [see [communiqué](#)], including policy and targets for renewables to 2020. This will be taken for final agreement to the spring [European Council on 8-9 March 2007](#). The relevant wording on renewables [on p.9 and [here](#)] covers two main objectives...

1. Overall target - renewables as a proportion of EU energy consumption



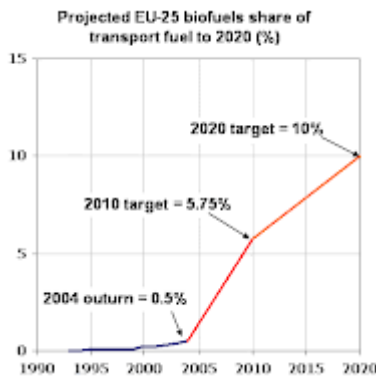
The Council endorsed overall EU target for renewables to reach 20% of the EU's overall energy consumption by 2020, with a process to divide this between the member states but with member state discretion to determine which renewable technologies to use to meet its target. This builds on the existing directive [2001/77/EC](#) which sets an 'indicative' target of 12% primary energy and 22% of electricity from renewables by 2010 (for the EU-27 this has become 21%).

It should be noted that EU renewables share of energy consumption increased from 5% to 6% in between 1993 and 2004 - so the targets represent dramatic sustained increases [[Eurostat data](#) for upper chart]. Increasing the share of renewables, means increasing renewable energy faster than the growth in consumption - so those steep slopes on the chart .

It should also be understood that EU's renewable energy is dominated by hydro power - 75% of EU renewable electricity in 2004 - based on long-standing schemes in the Alps, Pyrenees and other mountainous areas that are now highly prized and protected. Meeting the 2010 target to have 21% electricity requires a massive increase in the 25% that is not the installed hydro base [[Eurostat data](#) for lower chart]. The Commission's communication [[COM \(2006\) 849](#)] tries to put a happy face on it (literally), but it is clear we are well off track for meeting the 2010 target.

As the [EurObserv'Er Barometer](#) puts it in its 2006 assessment: *the important European objectives, the 22% of the Directive on renewable source electricity and the 12% of primary energy of the White Paper, shall be far from being reached in 2010.* [[report PDF](#)]

2. Biofuels target - a leap into the dark...



The Council's 15 Feb communication endorses a *binding* target for biofuels to reach 10% of transportation fuels for each member state by 2020 - subject to some sustainability considerations and availability of "[second generation biofuels](#)". This builds on the existing directive [2003/30/EC](#), which requires each member state to have 5.75% of its petrol and diesel by energy content from biofuels by the end of 2010 (actually each member state

is to have an 'indicative target' and this is a 'reference value' for it - typical EU fudge for saying this is kind of voluntary.) This requires lift off from an even lower base than renewables as a whole [[Eurostat data](#)]. There is the added complexity with biofuels of the variable and uncertain carbon reduction, which depends on how and where it is produced, the land take and competition with food, and impacts on water, soil, and biodiversity - and high inputs of fertilizer and pesticides. I hope to return to that shortly... I'm not even convinced that a big move into biofuels is a good idea - though we mustn't lightly rule out options for tackling climate change.

What's to be done?

Let me suggest three things:

a. Actions not words. Focus on meeting (or adjusting) targets for 2010 before dramatically extending them for 2020. And don't set hard targets (ie. for biofuels) for 2020 until lessons have been learnt from the experience to 2010. It's as though ministers want to forget the things they are actually accountable for delivering and focus discussion and political capital on things comfortably far off.

b. Back out of renewables policy. Don't try to run all of energy policy at the EU level - especially not renewables, which are usually highly local in implementation and their impacts on the environment. It is not good policy to have set objectives (like the Kyoto targets) and then to be prescriptive about how to meet them - what if a member state could meet its targets more cost-effectively (renewables are generally an expensive way of reducing carbon at present)? What if a member state doesn't agree with the industrial policy idea of subsidising renewables to build up the business - or thinks it will just suck in exports? Should the EU be requiring member states to act together in this, even though it isn't necessary. I can see a case for the EU insisting on particular 'policies and measures' when it looks like particular countries are going to miss their CO2

targets as some sort of 'remedial treatment', but not unless.

c. Do things that the only the EU can do or does best. I think it would be better if the EU stuck to policymaking on environmental energy policy issues where its involvement is critical – and that is a lot:

- Achieving an ambitious post-2012 Kyoto agreement in which EU leadership is catalytic
- Engaging with the US, Russia and major developing countries on behalf of the 27 member states
- Realising a fair [burden-sharing](#) regime between member states of an ambitious Kyoto commitment
- Making the emissions trading system work better
- Tackling 'stateless' aviation and maritime emissions
- Setting high emissions standards for traded products in the single market – vehicles, appliances, industrial equipment
- Ensuring high quality consistent consumer information is available across the EU
- Regulatory requirements for carbon capture and storage on new power plant
- Converting the European Investment Bank into an investor in limiting and adapting to climate change and strengthening energy security
- A bunch of things about competition, liberalisation and markets that underpin energy security