

SOMMET CLIMATE CHANCE EUROPE

07-08 mars 2022

#SCCE2022



Renewable energies: how to accelerate their development in Europe?

Description :

All EU member states must accelerate the development of renewable energies. In 2021, the new directive on renewable energies has set the objective of increasing from 32% to 40% of energy consumption in Europe by 2030. To achieve these ambitious goals, it is urgent to accelerate the deployment of RE in each Member State, by facilitating access to financing, by relying on an appropriate distribution network and by promoting the social acceptability of new energy production methods. What measures (regulatory, fiscal, economic, social or technological) can enable us to accelerate this deployment and achieve the objectives set by the European Union?

Chair-moderator : Pascal Charriau, Président of Enerdata

Speakers :

- **Tania Martha Thomas**, Researcher for the Climate Chance Observatory
- **Pascal Charriau**, Président of Enerdata
- **Jean-Yves Grandidier**, Founding president of Valorem
- **Pierre Tardieu**, Chief Policy Officer at Wind Europe
- **Raymond Charbonnier**, Maire de Paimboeuf et Président du SYDELA

Summary of discussions :

- To truly decarbonize the economy, RE must "replace", not just complement, fossil fuels. Europe and North America are tending to rely less on fossil fuels, unlike most Asian countries that still largely use and subsidize coal - with the exception of Vietnam, which saw a notable expansion of its RE in 2020.
- But Europe itself has strong disparities and continues to use coal: the "black triangle" of lignite (Poland, Germany, Czech Republic) still provides 80% of Polish electricity, while remaining a major source of GHG emissions and pollution for the continent. As for gas, which was recently included in the European taxonomy as a transitional energy, its peak production is not expected before 2037 and its use will extend well beyond 2050 in the EU - even if American LNG supplants Russian gas in market share.
- However, the historical trend in which the European Union has been involved for the past twenty years has been favorable to renewable energies. Their share of final consumption has more than doubled. While it represented less than 10% in 2000, it will reach 23% in 2020. This increase has been relatively constant between 2005 and 2020 with about + 0.8%/year.

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- The objective until now was to increase this proportion to "at least 32%" by 2030. However, in response to the urgency of the situation, the "Fit for 55" package has raised this target to 40%. It should be noted that, according to the European Commission's EU Reference 2020 scenario, the aggregation of NECPs (national energy and climate plans) would lead to a figure of around 33%. Hence the urgent need to accelerate the development of renewable energies, particularly in the transport and building sectors (heating and cooling systems), as well as for electricity production.
- As the only European country not to meet its 2020 RE deployment targets (19.1% instead of 23%), France must step up its efforts in this area. To do so, it can rely on various mechanisms and actors involved in the transition (industrialists, interest groups or RE management unions)
- Different mechanisms will contribute to reaching the RE target of 40% in 2030, i.e. +17% compared to the 23% of 2020.
 - Absolute increase in the consumption of renewables in the final consumption: +2 pt%.
 - Increase in the share of RE in the electricity mix (+6 pt%) and in centralized heat production (+2 pt%)
 - Electrification of final demand, allowing consumption of less carbon-intensive energy in the form of electricity (+3 pt%)
 - Reduction of energy demand, through energy sobriety and efficiency (+3 pt%)
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- To achieve carbon neutrality in 2050, we need to decarbonize energy consumption in transport and buildings, which requires the electrification of uses. For example, electric cars can reduce energy consumption by a factor of 4. Similarly, heat pumps drastically reduce energy consumption in buildings (heating and domestic hot water). On the other hand, this implies an increase in electricity consumption (e.g. in France +37%). It is clear that the European regulatory framework is not adapted to these two sectors (transport and buildings) with low marginal production costs. The volatility of the electricity market does not guarantee the stability of the revenues necessary to amortize the investments.
- Two types of solutions can be used to make the sector sustainable: the development of Corporate Purchase Power Agreements (CPPA) and guaranteed price mechanisms. In practice, the State pays additional remuneration to electricity producers when the market price is lower than a predefined target tariff, and conversely, the producer pays a portion of its dividends to the State when the price per Mwh exceeds the target tariff. This win-win system smoothes production costs and guarantees the sustainability of RE activities.
- En outre, il est nécessaire de numériser l'instruction des dossiers ; d'inclure de nouveaux critères de durabilité dans les appels d'offre, tels que le recyclage des turbines pour l'éolien (30% des coûts pourraient y être alloués) ; et d'investir dans les R&D et les RH.
- *Last but not least*, l'acceptabilité sociale des EnR conditionne leur déploiement sur tout le territoire européen. Il revient donc aux collectivités territoriales, aux maires

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ou par exemple aux syndicats locaux d'énergie de mettre en place des formes de gouvernance partagée.

- In addition, it is necessary to digitize the application process; to include new sustainability criteria in calls for tender, such as turbine recycling for wind power (30% of costs could be allocated to this); and to invest in R&D and HR. Last but not least, the social acceptability of renewable energies is a prerequisite for their deployment throughout Europe. It is therefore up to local authorities, mayors or, for example, local energy associations to set up forms of shared governance.

PROPOSITIONS THÉMATIQUES POUR LA MISE EN PLACE DU PACTE VERT POUR L'EUROPE

N°	Thème	Politique européenne	Proposition
P1	Energies	Internal energy market (Articles 114 and 194 of the Treaty on the Functioning of the European Union).	Harmonize and extend the economic policy of guaranteed prices to all Member States, as well as CPPAs.
P2	Energies	Internal energy market / EU member states' ministries of ecology.	Simplify RE permitting policy: one-window access, reinforced deadlines ⇒ precaution needed on transposing the EU directives into national laws.
P3	Energies	Internal energy market	Revise the terms and conditions of RE tenders: 30% of the price to be allocated to SSE (sustainable turbines, technologies contributing to the balance of the grid and the energy system, commitment of actors to employment and local communities).
P4	Energies	Local collectivities and governments	Set up forms of shared governance with local stakeholders.