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Centre on Regulation in Europe
Improving network and digital industries regulation

REVISION OF THE RENEWABLE ENERGY DIRECTIVE (REDII)

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(CERRE & UNIVERSITY OF OSLO)

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REPORT PRESENTATION

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1

OBJECTIVE OF THE RECOMMENDATION REPORT



OBJECTIVE

- ▶ **Contribute to the process of the revision of REDII:** a directive 'fit-for-purpose'.
- ▶ **Key drivers for the revision**
 - European Climate Law: duty for the EC to review relevant EU legislation in order to reach 2030/2050 targets (Art. 3.2).
- ▶ **A limited revision, in the short term.**

2

SCOPE DELIMITATION AND ROLE OF REDII



SCOPE DELIMITATION AND ROLE OF REDII

▶ The need for a two step-approach: towards REDIII.

- What can/should be fixed now **short term** and what should be the subject of a **broader revision of REDII**, i.e. towards REDIII.
- Need for soft law guidance instruments vs. new provisions.

▶ Role of REDII in energy market legislation: promotion of renewables vs. energy market design.

- REDII focuses on the promotion of energy from renewable sources.
- Revision to be consistent with REDII objective (Art. 1), material scope of application and the legal architecture of EU energy legislation.

3

RES SUPPORT SCHEMES AND TENDERING



RES SUPPORT SCHEMES AND TENDERING

- ▶ **Need to advance the reform / harmonisation of support schemes design.**
- ▶ **Refining tendering rules for RES-E:**
 - Criteria in REDII, GBER, EEAG and design guidelines.
- ▶ **Further promote cross-border projects through tendering:**
 - Opening of national support schemes to cross-border participation already “encouraged”. Also under the Union renewable energy financing mechanism.
 - Alternatives (that could be combined): soft law guidance, rewards for increased cooperation and additional new capacity, and requirement to try to cooperate.
- ▶ **Technology neutrality vs. specificity in tendering procedures.**
- ▶ **Promote local benefits under tender schemes.**

4

ENERGY SYSTEM PLANNING



ENHANCED COORDINATION OF ENERGY SYSTEM PLANNING TO DELIVER RES TARGETS

▶ **Objective: Towards enhanced, coordinated and integrated planning processes, including at generation level** to deliver the necessary volumes to reach increased targets and enable system integration.

▶ **Considerations:**

- Different forms of planning procedures and requirements: **energy system planning / energy infrastructure planning.**
- Parallel dynamics: segments subject to market-based decisions (ex: generation) vs. increase reliance on planning (ex: NECPs, national planning tools)
- respecting principle of sovereignty over choice of energy mix;

▶ **Alternatives:**

- Develop guidance on best practices for coordinating the different planning procedures
- Define a requirement to assess interaction and consistency between the different planning procedures, to reach RES targets.

▶ **Coordinated planning should reflect all central considerations**, including security of supply, decarbonisation, cost-effectiveness and resilience.

5

GUARANTEES OF ORIGIN



TRACKING AND VALORISATION OF RENEWABLE ENERGY GENERATION ATTRIBUTES

▶ **Role of GOs in consumer choice (information and liberalisation) and market valorisation of renewable energy sources (not a support scheme, role as purchase evidence).**

▶ **Challenges:**

- extension of GO-regime to renewable gases in REDII. Other attributes (like for low carbon gases) to be harmonised in market design legislation.
- Ensure consistency of disclosure.
- Removing remaining national barriers for the use of GOs in relation to Corporate Renewables PPAs.

▶ **Recommendations:**

- Preserve improvements made in REDII.
- Improve transparency and consumer protection: incl. other energy carriers beyond electricity (e.g. for gases).
- Enable further market valorisation: proposal on corporate PPAs to be kept.
- REDIII: towards full disclosure (both production and consumption).

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CONCLUSION: SETTING IN PERSPECTIVE WITH EC'S PROPOSAL



A CERRE REPORT AUTHORED BY




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- ▶ **Read the report in full on the CERRE
website: <https://bit.ly/3tr33Ve>**


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