
Policy performance of RES-support in the EU - Results



Renewables in the EU: Policy performance, drivers and barriers
1st DIACORE-CEPS Webinar, December 10th 2014

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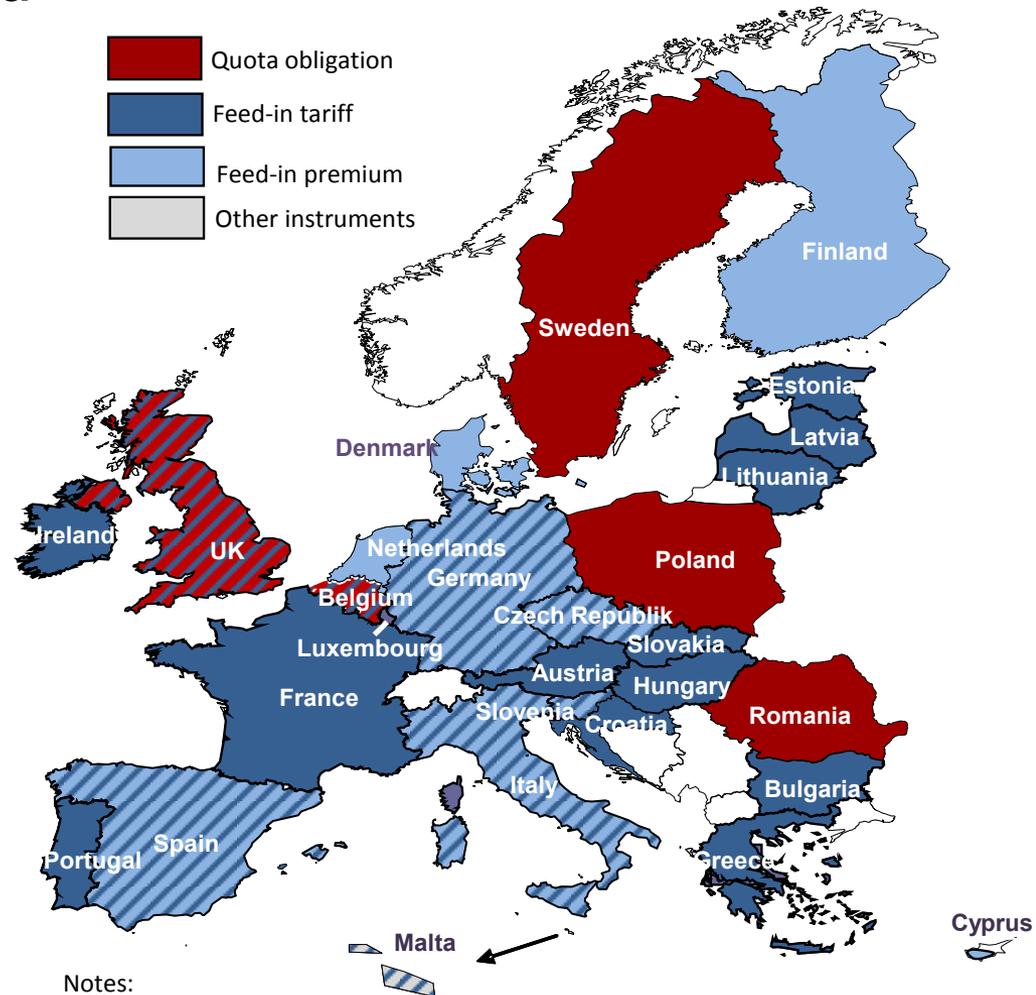
Agenda

- Background
- Approach
- Preliminary results
 - Deployment status of technologies
 - Effectiveness
 - Economic incentives and generation costs
- Conclusions

Overview / Background

Recent developments

- Increasing relevance of policy cost control
- Several MS decided not to continue their quota obligation (UK, IT, PL)
- Increasing use of competitive bidding procedures (NL, PL, IT)



Notes:

- 1) The patterned colours represent a combination of instruments
- 2) Investment grants, tax exemptions, and fiscal incentives are not included in this picture unless they serve as the main support instrument
- 3) Support scheme moratoria are not taken into account

Status: 2013. Source: Fraunhofer ISI

Overview Indicator Set

Policy performance indicators

- Policy effectiveness
- Support level vs. generation cost
- Profit range (efficiency)

Ex-post evaluation of policy performance

Deployment status indicators

- Deployment status indicator
- Electricity market preparedness indicator

Framework conditions for RE policy (RET market maturity, electricity market)

- Available for 28 Member States x 14 technologies (Electricity, heat, transport).
- Used since 2005 and constantly improved, updated, extended.

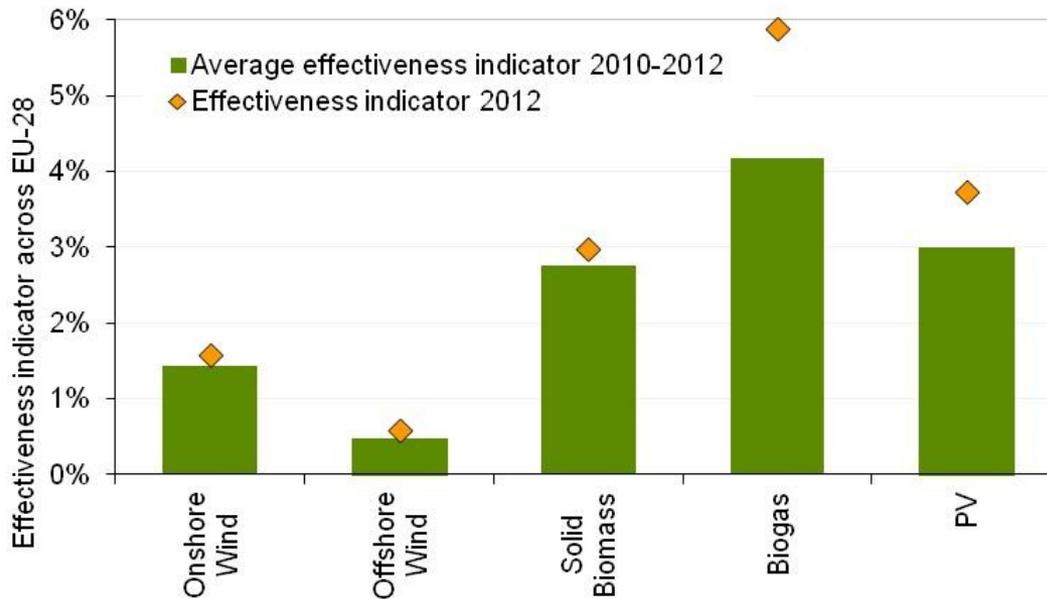
Short-term forward looking indicators

- Political and economic framework
- Market structure
- Administrative processes
- Grid regulation and infrastructure

Estimation of short-term future RES development

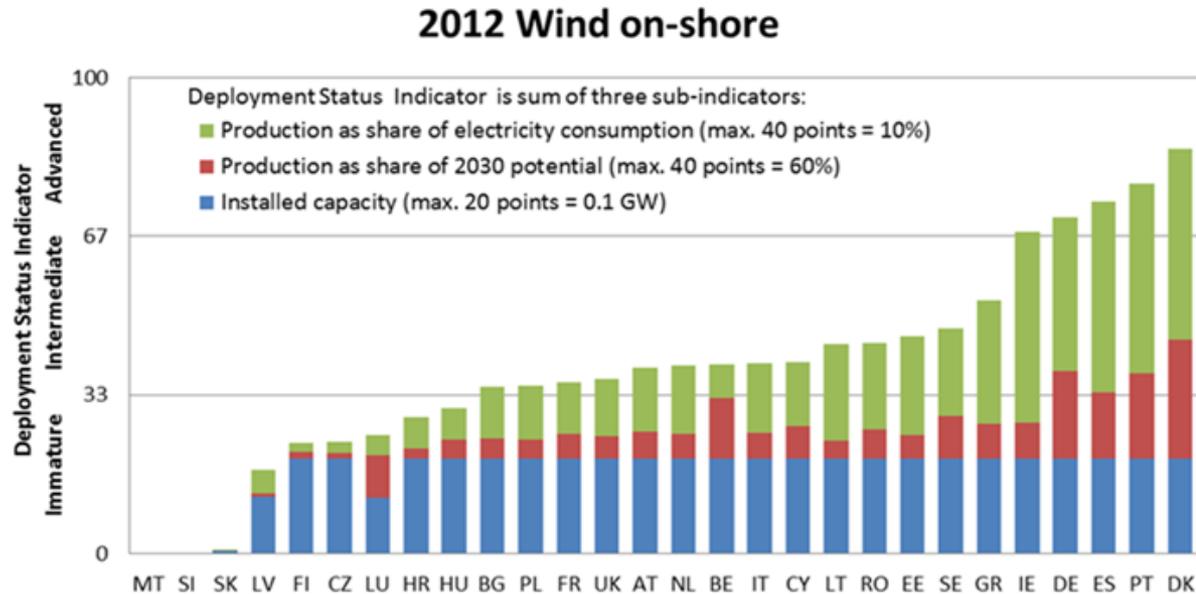
- Ongoing work
- Presentation of first results from barrier survey

General trends in policy effectiveness



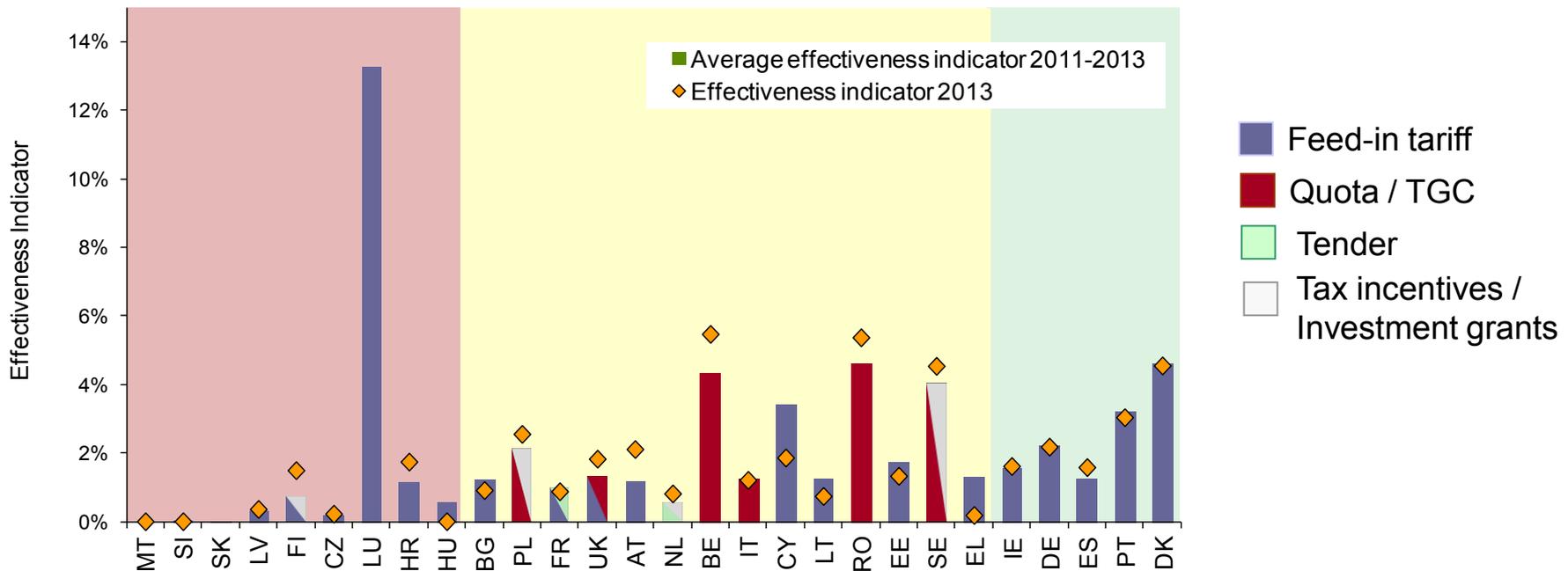
- Trend in 2012 for all technologies slightly above average
→ Recoverage from crisis, in particular Solar PV and biogas
- Low effectiveness of Offshore Wind compared to other technologies
→ Large potential

Deployment Status Onshore Wind 2012



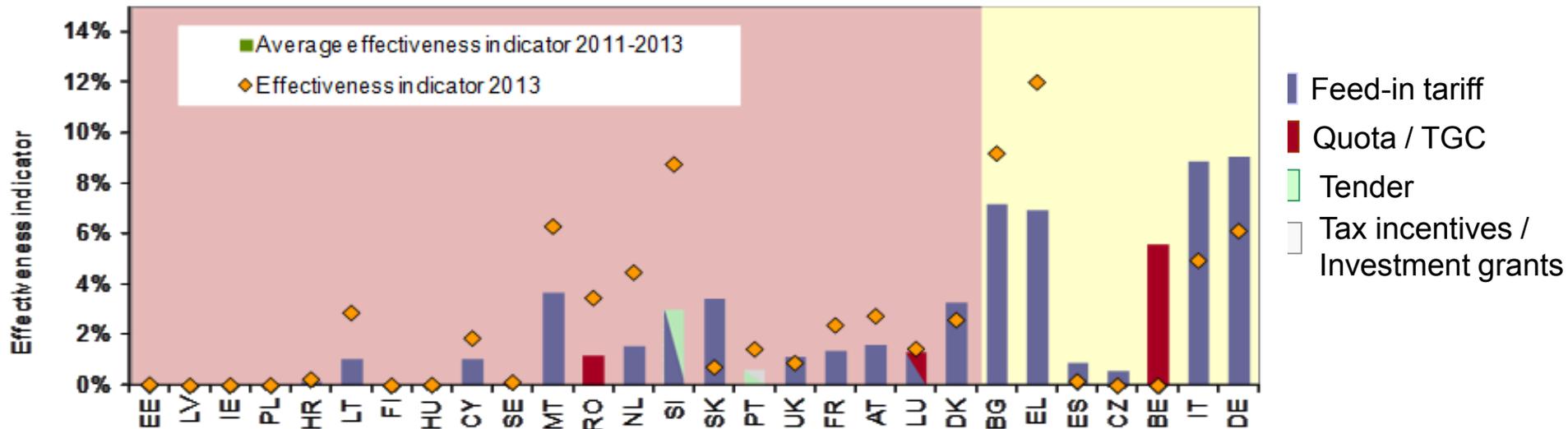
- Used to evaluate effectiveness in the context of the market framework
- Most of EU MS show intermediate deployment status
- In the group of MS with „advanced“ PT and DK overtook ES and DE
- RO achieved intermediate status whilst HU has fallen back to immature deployment

Policy effectiveness for Onshore Wind 2011 - 2013



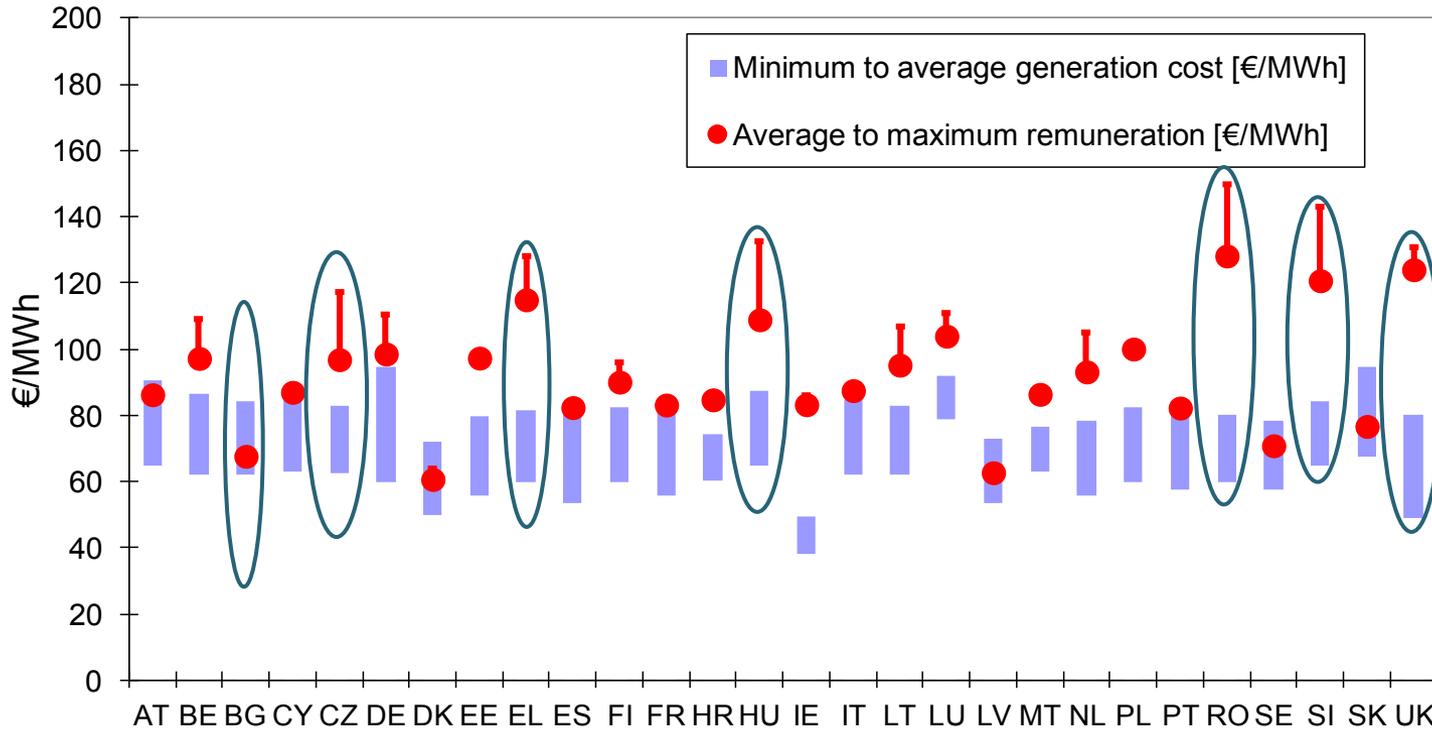
- Countries with a medium deployment status (BE, RO, SE) are catching up with forerunner countries (DK, ES, PT, DK) → Saturation of more developed markets
- Quota obligation using MS gain momentum compared to MS with feed-in systems
- Spain still shows capacity increase despite moratorium and change to subsidies with specific IRR

Policy effectiveness for Solar PV 2011 - 2013



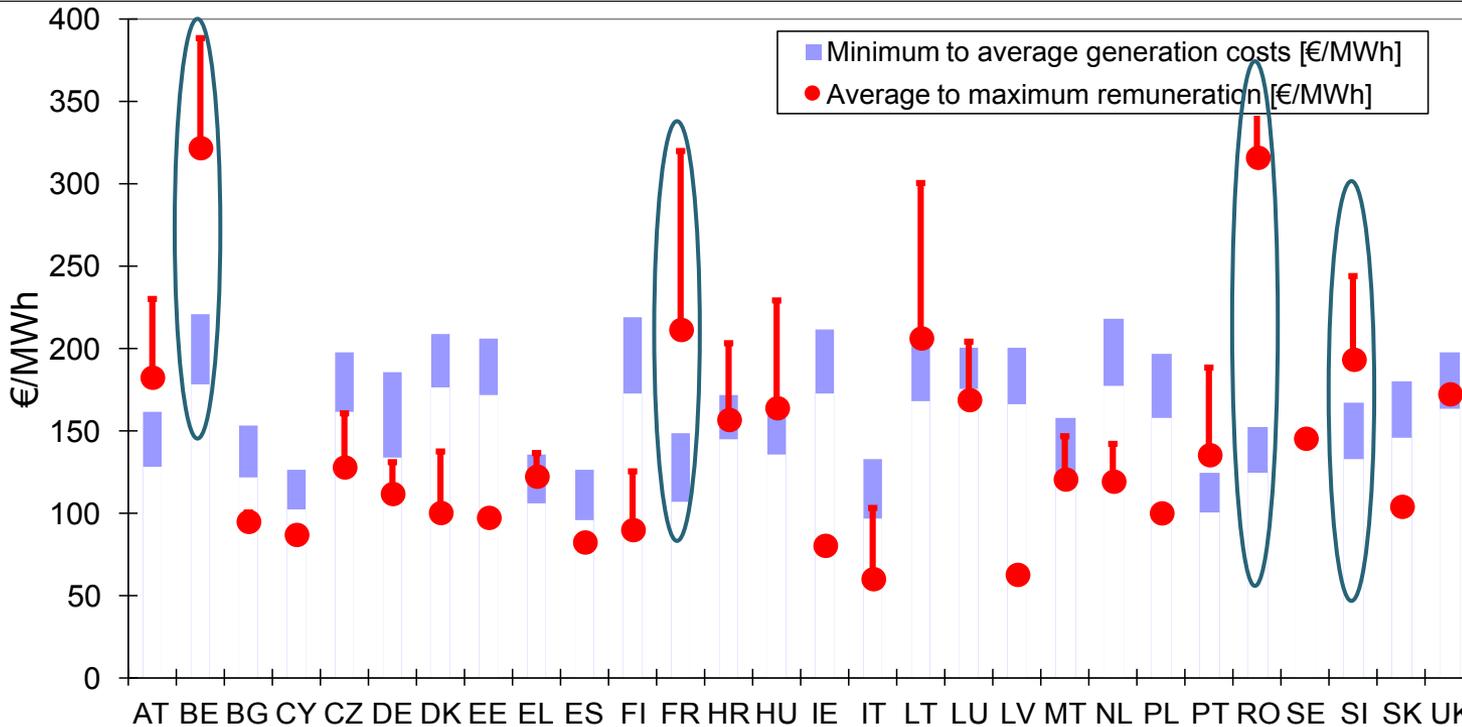
- New MS achieved medium deployment status (BG, EL, CZ, BE, IT)
- High average effectiveness in PV-boom markets DE, IT
- Very limited effectiveness in ES, CZ after strong or overheated growth in previous years
- MS with favourable conditions in South-Eastern Europe show improving effectiveness (GR, BG)

Support level ranges Onshore Wind



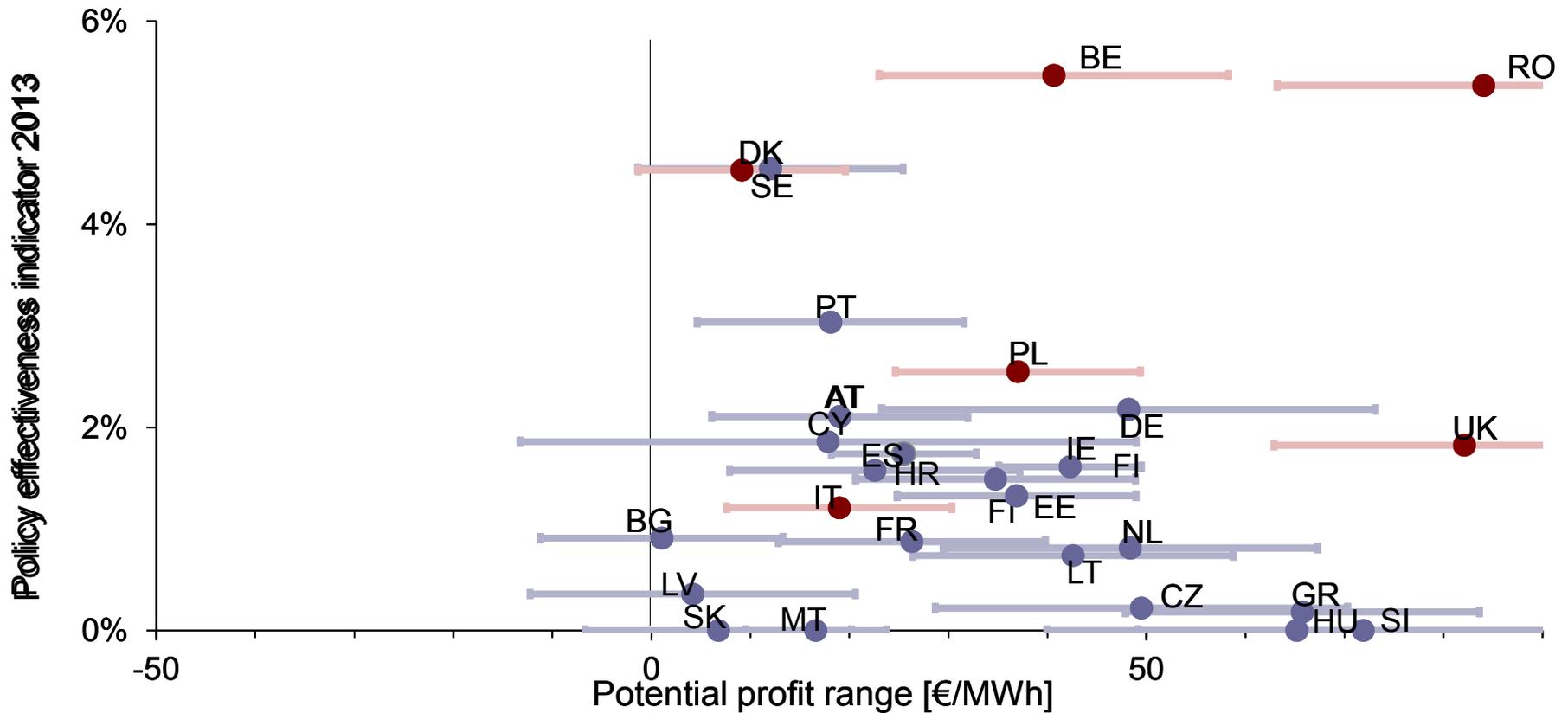
- Most of the countries provide adequate level of support for Onshore Wind
- Considerable windfall profits possible in CZ, EL, HU, RO, SI, UK
- Insufficient support only in BG

Support level ranges Solar Photovoltaic



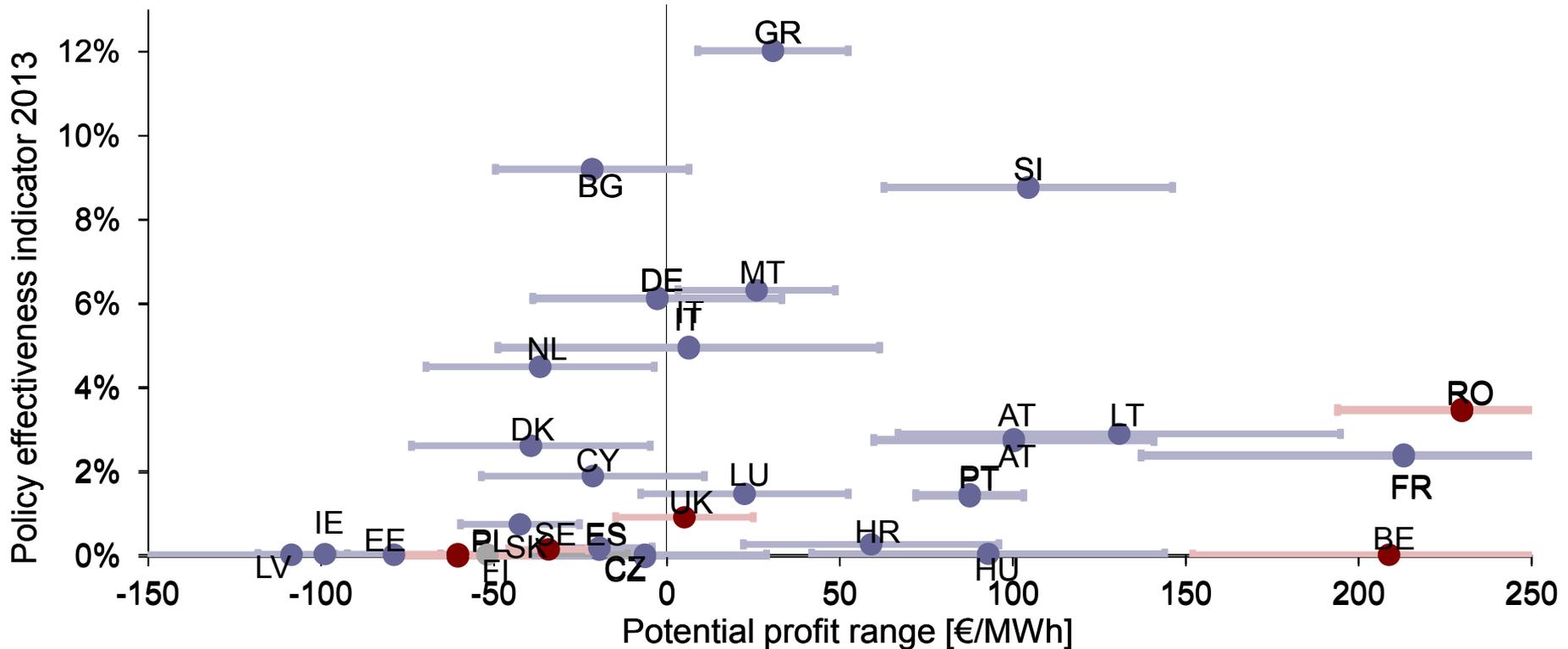
- Stronger differences in support levels and generation costs compared to Onshore Wind
- Considerable windfall profits possible in BE, FR, RO, SI
- Insufficient support in BG, CY, DK, EE, ES, FI, IE, NL, PL, SK
→ Some countries with low potentials

Effectiveness vs. Profit Onshore Wind 2013



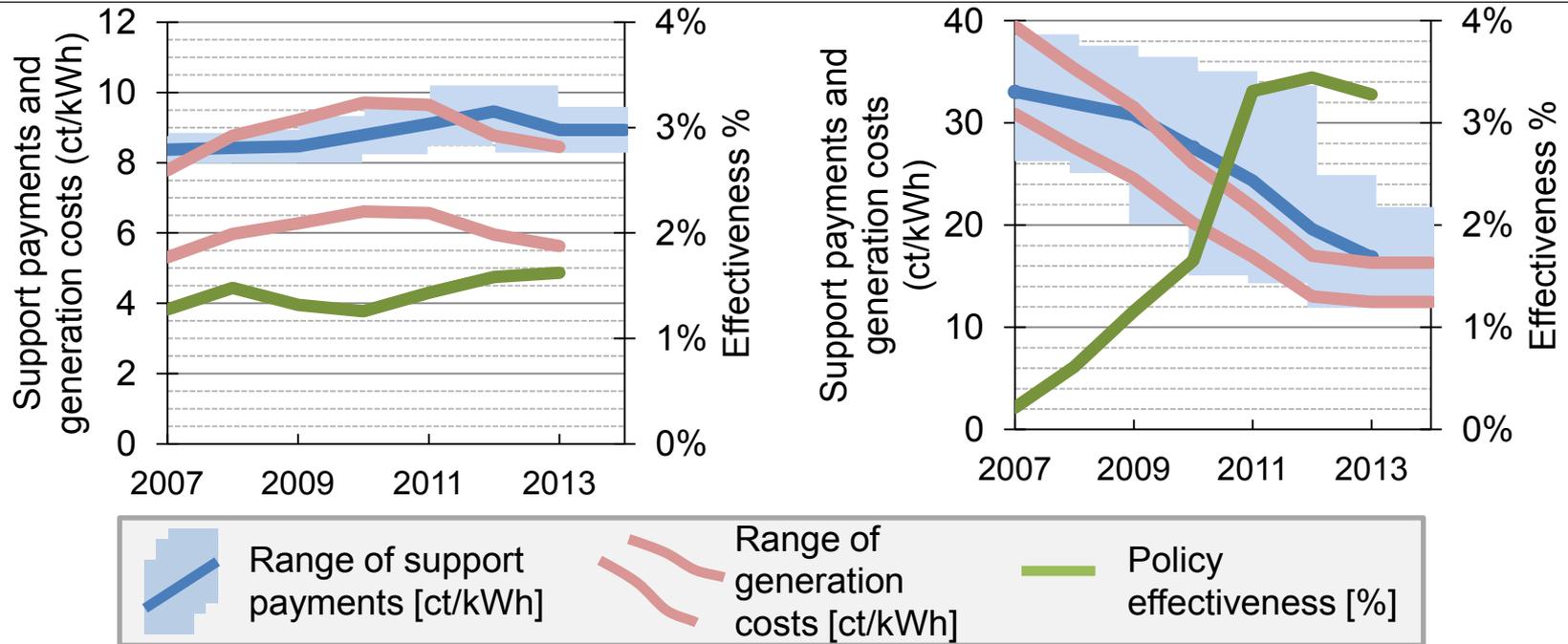
- Highest effectiveness in BE and RO, followed by DK and SE with lower profit levels
- PL, PT and DE next in effectiveness with moderate profit levels
- High profit level in UK, but lower effectiveness

Effectiveness vs. Profit Solar PV 2013



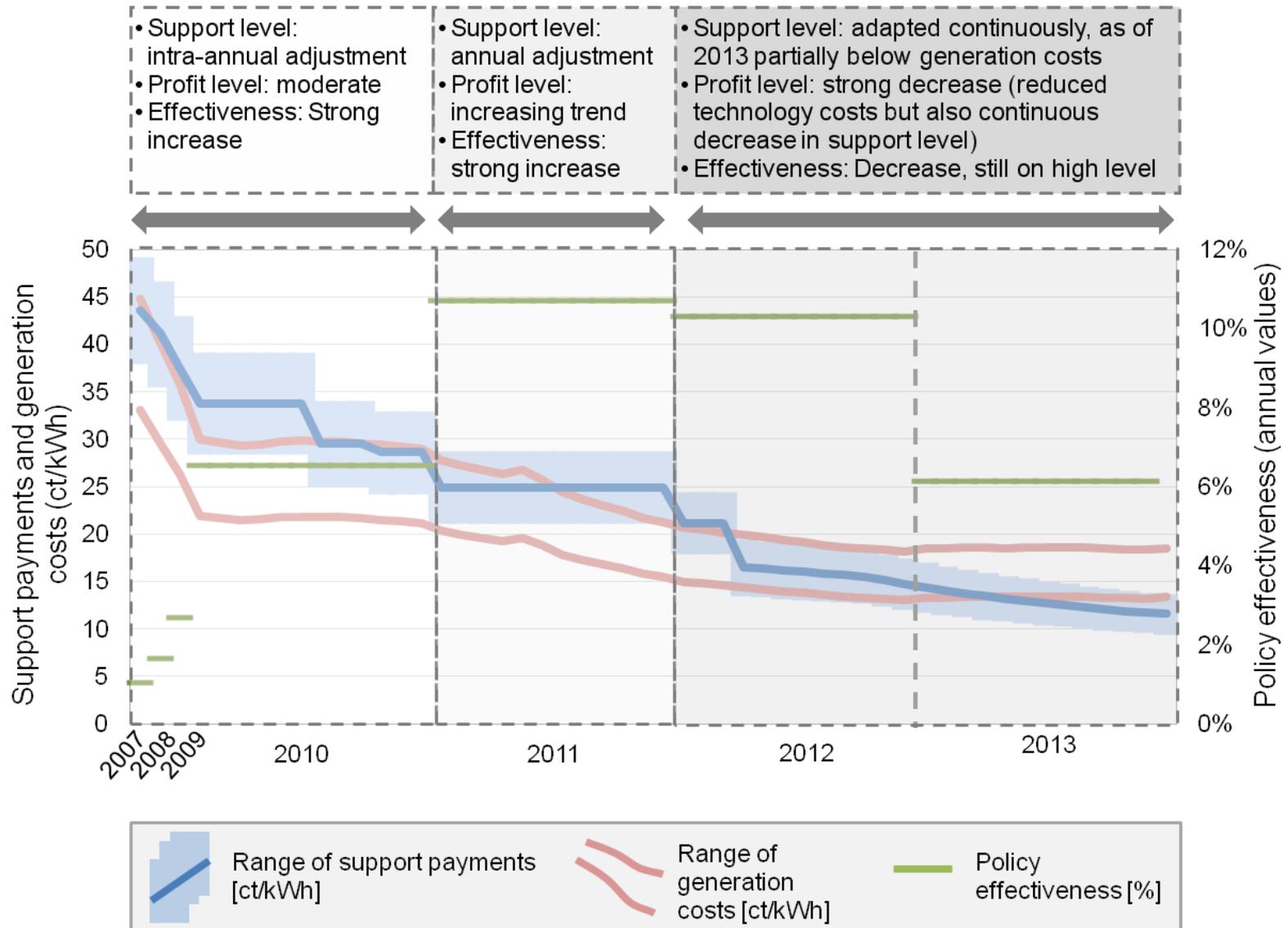
- Highest effectiveness in GR, BG and SI with moderate or very low profit levels
- ES and CZ with low effectiveness after boom years
- DE and BG achieve good effectiveness with almost negative profit levels, whilst profit level is FR, AT, RO and PT is considerably higher

Annualised support levels, generation costs and policy effectiveness - EU28



- Constant effectiveness for wind with slight decrease due to economic crisis
- Strongly increasing effectiveness until 2011 for Solar PV, then stable
- Slight increase in potential profit for wind
- Decreasing technology costs for PV (-59%) since 2007, adjustment of support not fully synchronised between 2010 and 2012. Improving economic efficiency in recent years.

Adapting support payments to generation costs – PV support in Germany



Summary and conclusions

- Slight recovery of RES deployment (effectiveness) after economic crisis
- Saturation of well developed markets and stronger growth of markets with lower deployment status
- MS using quota obligations catch up with MS using feed-in systems (Onshore Wind)
- Policy performance heterogeneous across technologies and MS
 - Policy should fit MS-specific RET deployment status & electricity market
- High support levels compared to generation costs do not necessarily lead to high effectiveness
 - Relevance of other factors such as stability, investment climate and other barriers
- Low variation of support levels typically linked to higher effectiveness but transparent and continuous adaptations not always lead to a worsened investment climate
 - Long-term commitment is crucial while allowing for flexible adaptations to changing framework conditions, but early communication of changes and including the public in the support scheme design are required

More information:

<http://www.diacore.eu/>

WELCOME TO OUR WEBSITE

We welcome you to the Project "Policy Dialogue on the assessment and convergence of RES policy in EU Member States", started in April 2013 and carried out under the Intelligent Energy – Europe programme.



DIA-CORE intends to ensure a continuous assessment of the existing policy mechanisms and to establish a fruitful stakeholder dialogue on future policy needs for renewable electricity (RES-E), heating & cooling (RES-H), and transport (RES-T). Thus, **DIA-CORE** shall facilitate convergence in RES support across the EU and enhance investments, cooperation and coordination.

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