

# The EU Energy Union – reality check and encouragement

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# Dr. Dörte Fouquet



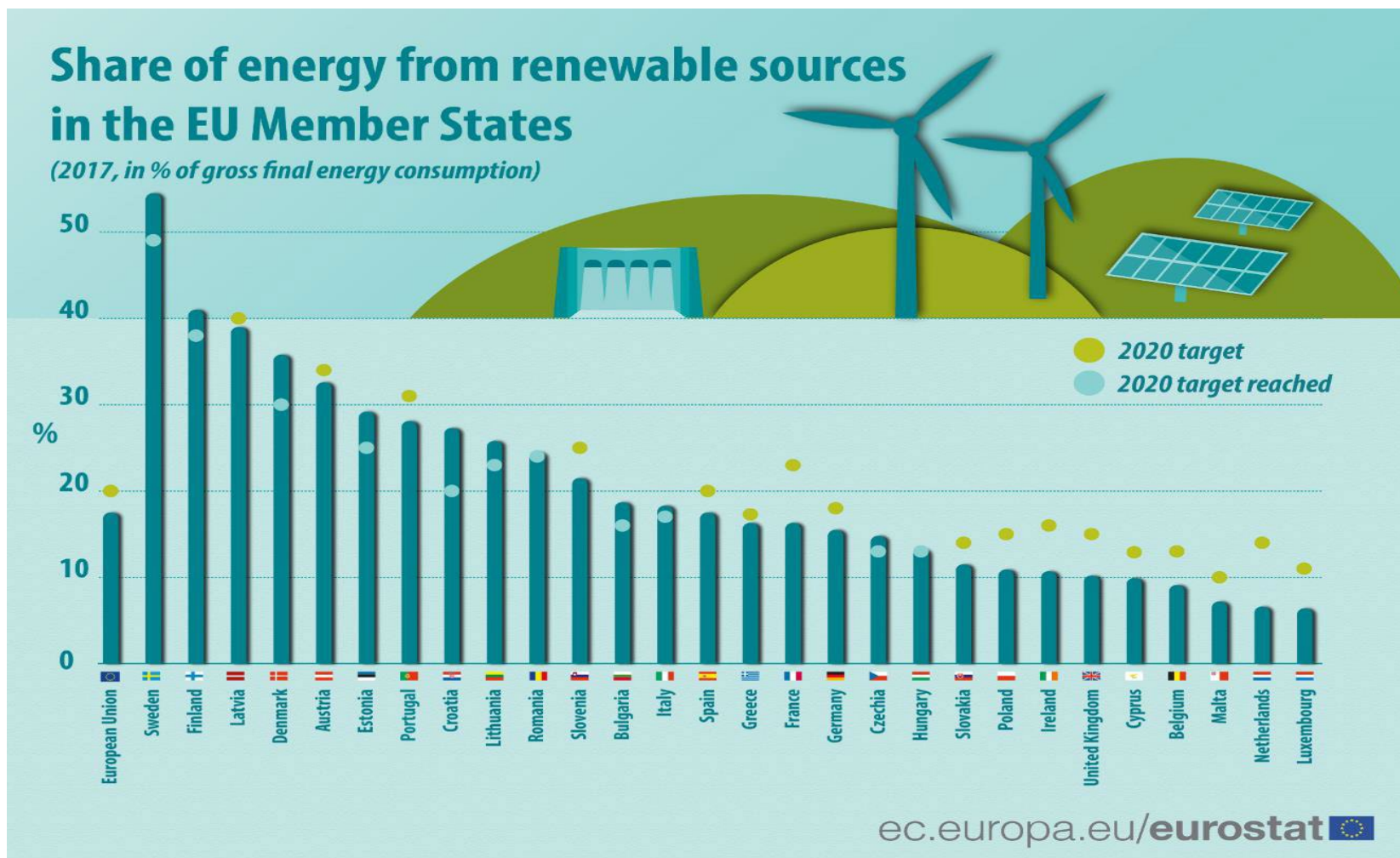
Dr. Dörte Fouquet is specialized in EU law and international legal relations, with focus on competition, infrastructure, energy and environment. She is legal advisor to companies, finance institutions, associations, governmental agencies in Germany and other EU Member States, EU institutions and on international level.

- ▶ Studies of Law at the Universities of Marburg and Hamburg
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# EU 28 – Far from reaching the 20 % RE target in 2020 - 2017 just 17,5 % reached



# Some got away with low ambitions in 2009... and thus achieved their target before 2020

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- ▶ Bulgaria, Czech Republic,
- ▶ Estonia, Croatia, Lithuania, Hungary, Romania, Finland and also Sweden –
- ▶ **BUT: Sweden** excelled its ambition level and is clearly to be counted as **RES progressive Member State**.
- ▶ Latvia and Austria are around 1 percentage point (pp) away from their 2020 targets.

## Some are always frontrunners.... (?)

- ▶ **Denmark** and also **Italy**
- ▶ **Germany** – classic frontrunner in the past who enabled the world to use cheaper and cheaper RES with its Feed-in – Market opening mechanism - **has not reached its target yet**

# Strong Member States still lagging behind

- ▶ **Netherlands** (7.4 pp from its national 2020 objective),
- ▶ **France** (6.7 pp),
- ▶ **Ireland** (5.3 pp),
- ▶ **United Kingdom** (4.8 pp),
- ▶ **Luxembourg** (4.6 pp),
- ▶ **Poland** (4.1 pp) and
- ▶ **Belgium** (3.9 pp)

❑ **are the furthest away from their binding targets**

# The ambition for the Clean Energy Package



- Ambition: **“to make the EU the world number one in renewable energies”** (J-C Juncker, summer 2014)
- Goal: **“a resilient Energy Union with an ambitious climate policy at its core** is to give EU consumers - households and businesses - secure, sustainable, competitive and affordable energy. Achieving this goal will require a **fundamental transformation of Europe's energy system.”** (Commission Communication, Feb 2015)



# A fundamental transformation of Europe's energy system coming with the new energy package



- Renewable energy (all technologies) and energy efficiency as centre piece for a new stable, secure, affordable and democratic EU energy system
- EU-wide but decentralised energy system with multitude of independent power producers, paired with large scale RES provider
- Demand-side management
- Storage
- Sector coupling
- Interconnectivity between national grids
- Regional cooperation (e.g. off-shore and cross-border)

# Potential for increased regional cooperation

- Prerequisite: regional, national and European policy schemes have a mutual influence on each other and therefore need to be integrated and coherent.
- Regional cooperation on macro-level (between States) and micro-level (neighbouring municipalities)
- Micro-level regional cooperation has big potential
  - Financing tools needed
  - Involvement of citizens
  - Strengthening of territorial cohesion through specific regulatory provisions

# Cost-effective energy system transformation

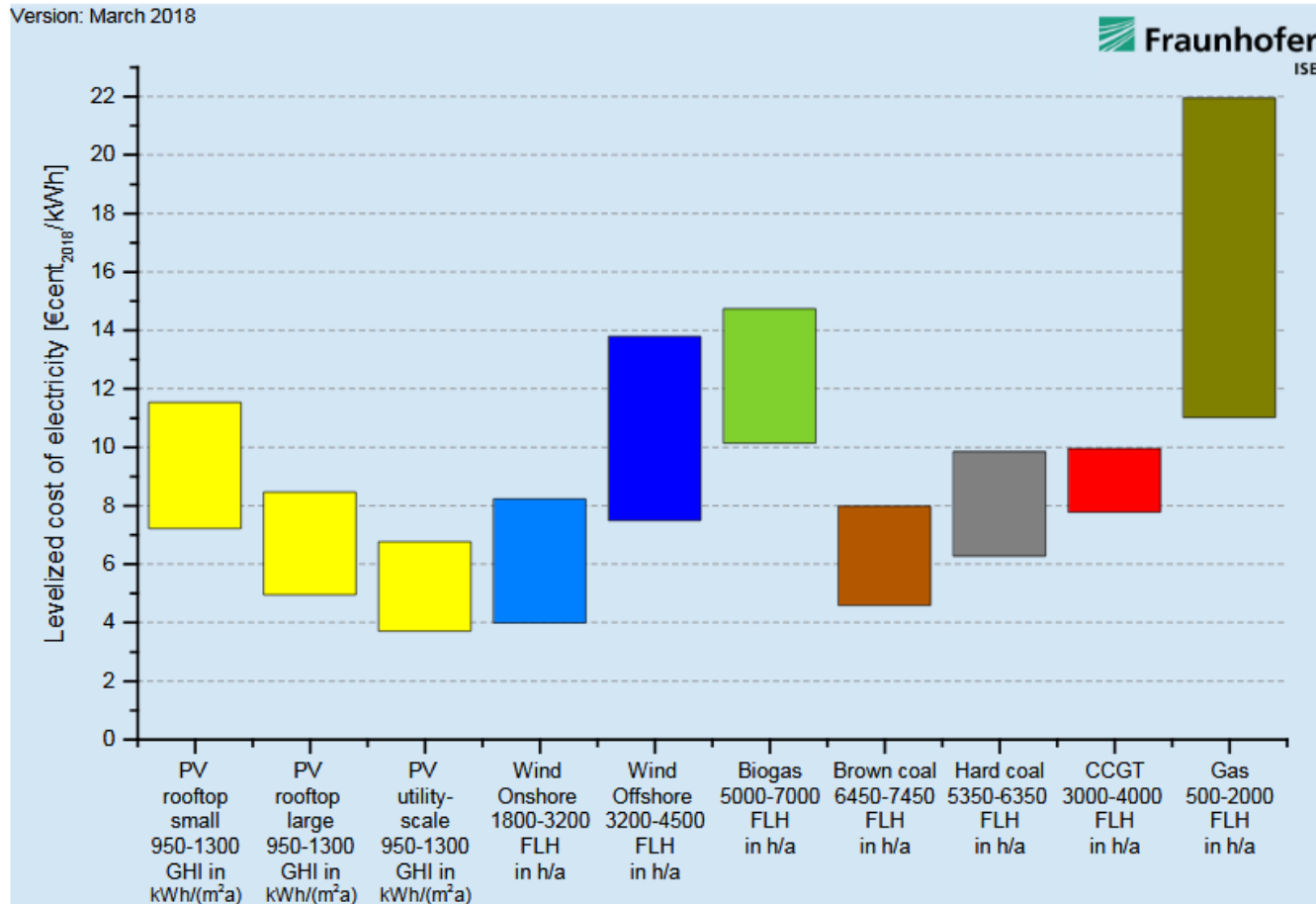


Figure 4: LCOE of renewable energy technologies and conventional power plants at different locations in Germany in 2018. The value under the technology refers in the case of PV to solar irradiance (GHI) in kWh/(m<sup>2</sup>a); in the case of other technologies it reflects the number of full load hours of the power plant per year. Specific investments are taken into account with a minimum and maximum value for each technology. Additional assumptions are presented in Table 4-Table 6.

# Renewable Energy Communities in the new market design

- First time acknowledgement of Renewable Energy Communities as actors itself in EU legislation
- Local control and ownership
- Prevention of abuse from large energy companies or project developers
- Obligation on MS to set up an enabling framework
- Member States need to conduct a cost-benefit analysis which needs to prove negative impact of exemption before introducing charges
- Enabling of leasing-model giving access to RES to wider sections of society (third party ownership)

# Citizen Energy and self-consumption in the new market design

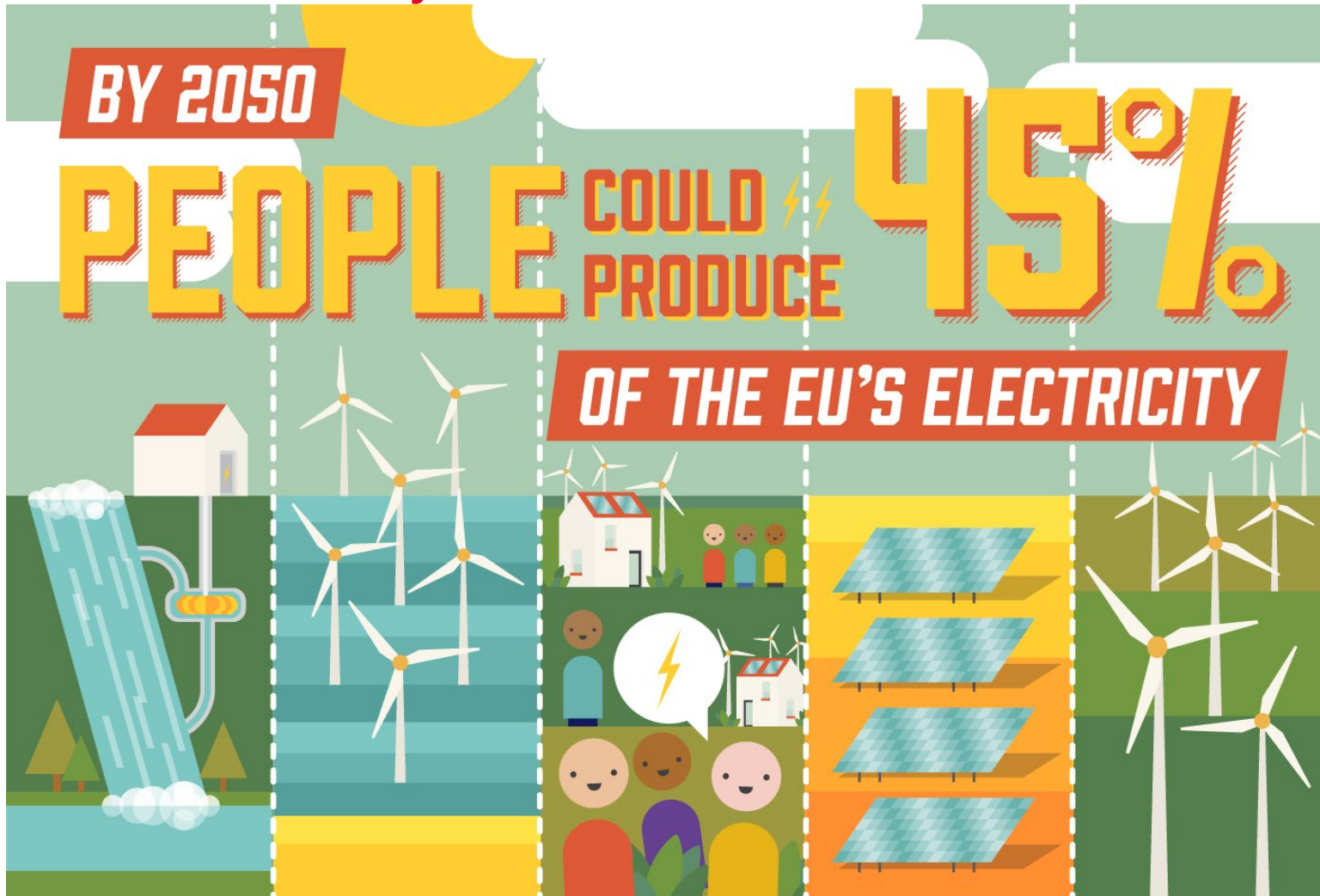
- Basic entitlement to become renewables self-consumer (individually or collectively) without being subject to overburdensome or discriminatory conditions:
  - Basic right to self-generation, consumption, storage
  - to sell excess renewable electricity to the grid at least at the market value
  - Exemption from charges for self-consumption up to a threshold of 30 kW, limited to overall share of self-consumption exceeding 8% of a MS's total electricity capacity installed

# Benefits of renewable energy from citizens



- Local jobs
- Local wealth creation as money for energy stays within community (instead of paying for energy imports)
- Reduced energy poverty
- Energy security as neither import nor transport is required
- Increased social acceptance for renewables
- Democratic energy system
- Energy consciousness resulting in decreased energy consumption

Delft University



## Change without support is there

- ▶ German utility EnBW concluded power purchase agreement for PV for 15 years from a German developer (Energiekontor) from its 85 MW PV Project in North-Eastern Germany – without feed-in or any other support
- ▶ Authorities in the Netherlands opened first subsidy-free offshore wind power tender in December of 2017 seeking bids for the construction of the Hollandse Kust Zuid offshore wind farm – max. two 350 megawatt (MW) projects. Vattenfall in March: successful in the auction and would proceed with developing the project, which could have a maximum capacity of between 700 to 750 MW.



# Stumble blocks remain

- Nuclear and Coal fired power plants in the EU prevent rapid change (National champion attitude)
- Design of many capacity mechanisms in the EU destined to keep coal and nuclear afloat
- EU Commission lending a helping hand: decision on UK capacity market without full investigation Decision C(2014) 5083 final of 23 July 2014 not to raise objections to the aid scheme for the 'capacity market' proposed by the UK (State aid SA.35980 (2014/N-2)) (OJ 2014 C 348, p. 5).
  - Rejected by the European General Court (In-depth started now) Case T-793/14 November 2018
- and EC greenlight on 6 further capacity mechanisms ("Six-pack Decision by EC – all without in-depth-investigation) Belgium, France, Germany, Greece, Italy and Poland February 2018

Vielen Dank  
für Ihre Aufmerksamkeit.

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