



## **Presentation of SUPPORT\_ERS Project and EU Support Instruments for RES-H**

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**SUPPORT\_ERS: Optimisation of Support Schemes for  
Renewable Energy Sources for  
Electricity Generation, Heating and Cooling**

**Intelligent Energy**  **Europe**

# I. Project Objectives

- Contribute to an **increase of the share of RES** in energy consumption in particular in the **new EU Member States and candidate countries**
- Development of **efficient support schemes for RES-Heat**
- Specific Objectives:
  1. **Reduce administrative barriers** hindering the efficient and effective implementation of support schemes for RES-E
  2. Involve the new Member States and candidate countries in the process of the **development of support schemes for RES-H** in the EU
  3. Increase **awareness of regional actors for the benefits of RES-E and RES-H** and to optimise the implementation of support schemes on regional level

- ISPE Institutul de Studii si Proiectari Energetice, Romania
- EEA Energy Efficiency Agency, Bulgaria
- MKM Ministry of Economic Affairs and Communications, Estonia
- EIHP Energy Institute Hrvoje Pozar, Croatia
- SIEA Slovak Innovation and Energy Agency, Slovakia
- IDAE Institute for the Diversification and Saving of Energy, Spain
- EREC European Renewable Energy Council, EU
- AEA Austrian Energy Agency, Austria
- CA Climate Alliance
- GTZ Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), GmbH, Germany
- BMU Federal Ministry of the Environment, Nature Conservation and Nuclear Safety, Germany

- **Duration:** 11/2007 – 01/2010
- **Budget:** € 854.354

Co-founded by the **Intelligent Energy Europe**  
Programme under DG TREN

**Intelligent Energy**  **Europe**

- **Printed Outputs, Analysis and Policy Support**

- » Report on RES-Heat Support Mechanisms incl. Policy Recommendations
- » Publication on RES Market Reviews
- » Administrative Assessment Report
- » Report on Good Practices at Administrative Level

- **Capacity Building and Transfer of Know How**

- » Checklist for Reducing Administrative Barriers
- » Regional Seminars about benefits of RES and integration of RES issues in planning processes; Initiation of partnerships
- » Final Conference, briefing of policy-makers, RES industry and financial sector

**How can you find out more about  
SUPPORT\_ERS?**

# Where to Find Project Results?



- Look up our Webpage [www.support-ers.eu](http://www.support-ers.eu)

A screenshot of the SUPPORT\_ERS website as viewed in Microsoft Internet Explorer. The browser's address bar shows "http://www.support-ers.eu/". The website has a blue header with the "SUPPORT\_ERS" logo on the left and navigation links for "Deutsch | English", "PDF-Version", "Sitemap", and "User Login" on the right. A left sidebar contains a menu with "About", "The Project", "Events", "Partner", "Intranet", and "Contact", along with a "NEWS" section and a "User Login" form. The main content area features a large banner image of wind turbines and sunflowers with the text "Optimisation of Support Schemes for Renewable Energy Sources for Electricity Generation, Heating and Cooling". Below the banner is an "About" section with a breadcrumb "You are here: About" and a heading "About SUPPORT\_ERS". The text describes the project's goals, consortium, and timeline. At the bottom, there are logos for the Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit, gtz, Austrian Energy Agency, Climate Alliance, Ministry of Economic Affairs and Communications, EIHP, and IDAE.

# Where to Find Project Results?



- Download our Reports

The image shows a thumbnail of a report cover. At the top left is the 'SUPPORT\_ERS' logo. At the top right is the 'Intelligent Energy Europe' logo. Below the logos, the word 'REPORT' is centered. The main title 'SUPPORT\_ERS' is followed by the subtitle 'WP 2: Overview of existing support instruments for heat generation from renewables and policy recommendations concerning the development of RES-H support instruments'. Below this, it says 'WP leader: AEA'. At the bottom right, there is the logo for the Austrian Energy Agency (AEA) and the text 'AUSTRIAN ENERGY AGENCY'. A vertical red bar is on the right side of the cover. At the very bottom right, there is a small vertical text 'Vienna, January 2009'.

# Where to Find Project Results?



## Get in Touch with Us:

- Contact your country's SUPPORT\_ERS Partner, or contact the
- SUPPORT\_ERS Project Coordinator:

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# Support Instruments for RES-H

## II. Support Instruments for RES-H



- In **December 2008 EU leaders adopted a comprehensive package of measures to reduce the EU's contribution to global warming and ensure reliable and sufficient supplies of energy.** The most far-reaching reform ever of European energy policy, the package aims to **make Europe the world leader in renewable energy and low-carbon technologies.**
- Driving the policy is the **EU's bid to achieve a 20% reduction in its greenhouse gas emissions by 2020** (compared with 1990 levels), mainly **by boosting the use of renewable energy and curbing energy consumption.** The measures will also reduce dependence on imports of gas and oil and help shelter the economy from volatile energy prices and uncertain supplies.

## EU RES Directive

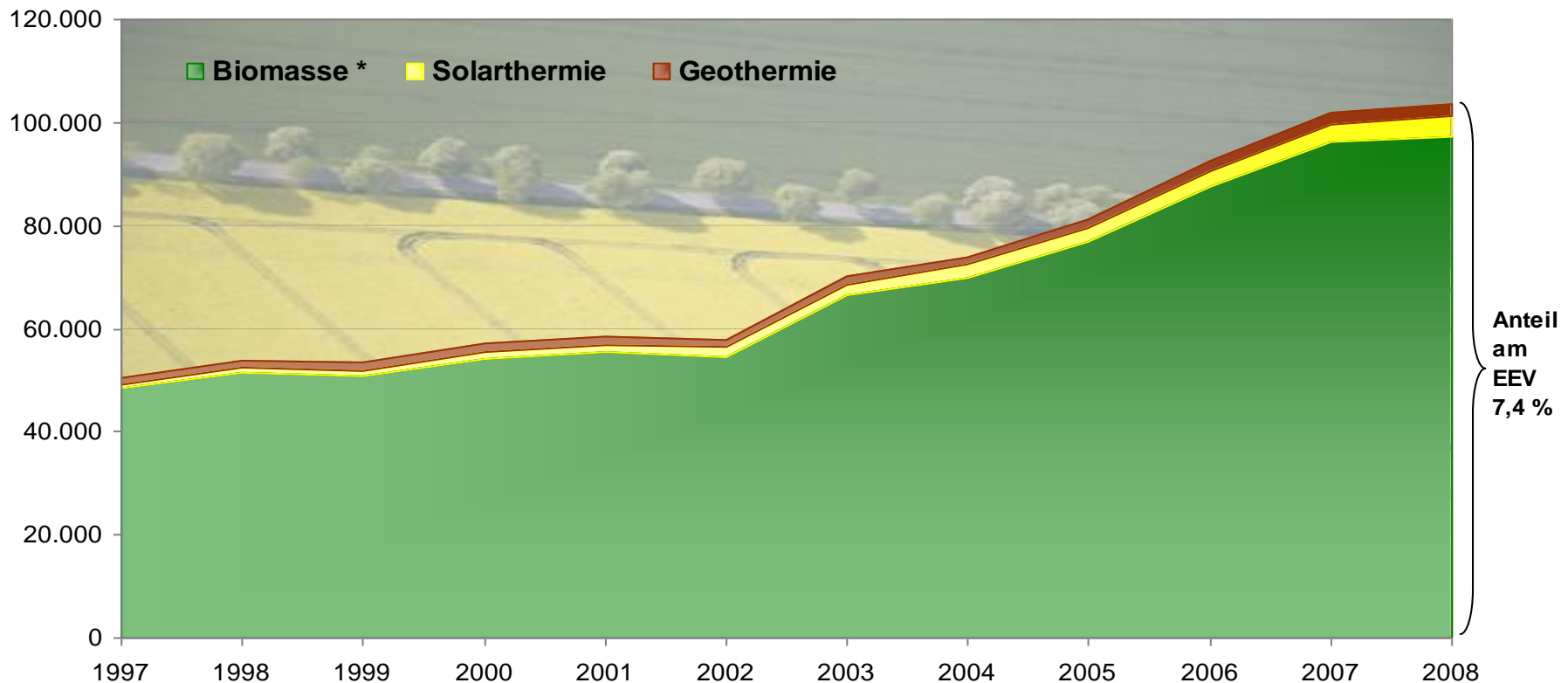
- Sets up a framework for for the promotion of **renewable energy sources** in the EU up to 2020
- Covers **electricity, transport and** - for the first time - **the heating and cooling sectors**
- Sets **mandatory national targets** for renewable energy sources in final energy consumption
- Member States are now setting **sectoral targets** for **heating and cooling, transport and electricity** in 2020 in their **National Action Plans**

## Scope of Renewable Energy in the Heating Sector of the EU

- **Around half** of the **total energy supplied** to the EU-27 in 2007 was attributable to the **heating sector**. However, the contribution made by **renewable energy sources** in this segment was just **10 %**. Hence, the significance of renewable energies in the heating market is considerably lower than in the electricity market.
- By far the **most important renewable resource in the heating sector is biomass**, accounting for a **share of around 97%**, or 623 TWh, the largest share being attributable to heat generation from **wood in private households**. The contribution of the other two sectors, solar thermal energy and geothermal energy, remains comparatively insignificant, at around 2% and 1% respectively.

## Example Germany: RES for Heat Generation

### Beitrag der erneuerbaren Energien zur Wärmebereitstellung in Deutschland 1997 - 2008



Anteil am EEV  
7,4 %

\* feste, flüssige, gasförmige Biomasse, biogener Anteil des Abfall; Anteil der Biomasse an der EE-Wärme 2008: 94 %

Quelle: BMU Publikation "Erneuerbare Energien in Zahlen – nationale und internationale Entwicklung", Kl III 1; Stand: Juni 2009; Angaben vorläufig

## SUPPORT INSTRUMENTS:

### EU countries use a variety of incentive schemes

- Several European countries have already taken strong action with respect to **policy development that supports RES-H technologies**. The implemented instruments include
  - »financial incentive schemes
  - »regulatory schemes
  - »educationally-based schemes.
- An analysis of the energy policy in various countries shows that **most of the policies are financial incentive schemes**, even if the allocated budget can vary significantly for each policy as well as the time-spans, technologies applicable, and eligible parties.

## EU countries and their RES-H financial incentive schemes, regulatory schemes and educationally-based schemes

Table 1: Categories of support schemes available in the different project partner countries.

	Austria	Bulgaria	Croatia*	Estonia	Germany	Latvia	Romania	Slovakia	Spain
<b>Financial Incentive schemes</b>	yes	yes	yes	yes	yes	yes		yes	yes
<i>Direct grants</i>	yes	yes	yes	yes	yes	yes	yes	yes	yes
<i>Tax incentives</i>	yes	yes	no	yes	yes	no	no	no	yes
<i>Soft loans/Loan guarantees</i>	no	no	yes	no	yes	yes	no	yes	yes
<i>Incentives linked to housing subsidies</i>	yes	yes	no	yes	yes	no	no	no*	no
<b>Regulatory schemes</b>	yes	yes	no	yes	yes	no	no	yes	yes
<b>Educationally based schemes</b>	yes	no	yes	yes	yes	no	no	no	yes

Source: SUPPORT\_ERS Overview of existing support instruments for RES-H , see <http://www.support-ers.eu/111.0.html>

# Support Instruments for RES-H



## ■ Example Germany: Renewable Energies Heat Act (EEWärmeG)

-> Promotion of the development of renewable energy sources in the  
**Heat Supply**

Objective: Increase the amount of renewable energies in the heat supply to  
**14% by 2020** (from 6% in 2008)

### ■ Priorities:

- » **Obligation for owners of new buildings to meet a proportion of their heating energy demand from renewable energies**. Solid biomass, geothermal energy, solar thermal energy and environmental heat, as well as biogas and sustainably produced vegetable oil, may all be used for this purpose. Alternatively, home owners can take **other climate change mitigation measures**: improve the insulation of their buildings, obtain heat from district heating systems or use heat from combined heat and power generation (CHP).
- » **Significant increase in the funding available**. The government will inject more money into the existing market incentive program, **increasing funding for this support instrument to as much as 500 million Euro per year**. This means better **planning certainty for investors**. The money will be taken from the proceeds from the sale of CO2 certificates in order to promote renewable energies in the heating market.

## Policy Recommendations based on SUPPORT\_ERS Analysis

- **Each country** and state has a **unique set of circumstances, needs, and resources** that play an important role in the design and success of policies for RES-H/C and may influence the appropriateness of a policy for a given area.
- The **success of a support scheme** depends on its **design and the supporting levels of enforcement**. In order to promote strong, substantial growth in each renewable sector, policies must be **reliable and long-term**. **Targets** for definitive quantities or percentages of renewable energy should be **clearly outlined and verifiable**.
- **Policy targets** should be based on the **actual generation of heat** rather than on total capacity or number of installations. This ensures that the **specific goal of the policy is to promote renewable heat**. Basing incentives in terms of plant capacity alone may risk the installation of RES-H/C technologies that are not actually utilised.

->Find more at <http://www.support-ers.eu/111.0.html>

## Policy Recommendations II

- A **mix of instruments** is essential for success: Increasing **supply-side confidence** may have a positive impact on **deployment**. Private investment in facilities, marketing and distribution structures and the training of installers tends to accompany **stable, predictable and long term policies**. In the medium term this leads to a **higher market presence, economies of scale, lower costs and improved product quality**. Poor quality systems and inferior installations compromise the reputation of the technology and can produce a lack of consumer confidence.
- **Support schemes** for RES-H/C need to address the **specific challenge of local heat demand and variability of use**, especially for hot water. In contrast to large scale renewable electricity projects, policies in support of renewable heating should address to a greater extent the **availability of local information, the success of local projects, and local circumstances**.

## Policy Recommendations III

- **Bureaucratic and administrative barriers**, such as the need for planning permission even for simple solar collector roof installations, or mining rights for geothermal heat extraction, may inhibit deployment and **should be minimised**.
- **Continuity** should be considered as the **most important single element** of a well designed and managed **financial incentive scheme**. Several examples from different countries and RES-H technologies show that discontinuous financial incentives can damage the development of healthy market structures by creating a stop & go market dynamic. Under such conditions the supply side and the professional groups (e.g. installers, heating engineers, architects) are discouraged from investing.
- To avoid creating an incentive to postpone installation of RES-H/C systems, the **introduction of new support schemes or the increase of an existing financial incentive system should not be announced before they become valid**.

## Policy Recommendations IV

- Within a support scheme to last some years, **adjustments** of certain conditions should be possible to **adapt the support scheme to the market development**. The adjustments should be discussed with market experts and be introduced aiming at minimising any negative impact on the market development.
- The **procedures** of a support scheme should be **simple**, both for the **applicant and for the public administration**.
- Financial incentive schemes should not create barriers to **trade within the EU**. Any technical parameter linked to the eligibility for financial incentive schemes should be **strictly oriented to European standards and certification procedures**, if available. Otherwise it can contribute to create “isolated markets” at a national or even regional level, thereby increasing the costs for the users.

## Policy Recommendations V

- Apply the “**polluter pays principle**”: The costs of the support scheme should be **financed by users of non-renewable energy**.
- An **accurate national data collection** relating to heating and cooling supply is necessary to **assess the outcome of policies**. Due to the de-centralised nature of heat supply and the local demand, this may be difficult to achieve without extensive **user surveys or national sales figures**.

## Good practice examples for the improvement of administrative procedures in the field of RES

- Germany: Licensing procedure with Environmental Impact Assessment (EIA) in the Federal State of Brandenburg
- Croatia: Renewable Energy Advisory Facility (REAF) at the Ministry of Economy, Labour and Entrepreneurship - support to project developers in administrative procedures

-> See upcoming Administrative Capacities report of the SUPPORT\_ERS project

## Example 1: Germany - Licensing procedure with Environmental Impact Assessment (EIA) in the Federal State of Brandenburg

- Based upon the Brandenburg Law on the Environmental Impact Assessment (UVPG), the **State Agency of the Environment of the Federal State of Brandenburg (LUA)** established an **efficient one-shop-stop solution for the handling of licensing procedures**. This procedure aims at:
  - » effective protection of the environment
  - » efficient administration of licensing procedures
  - » appropriate involvement of other authorities
  - » fair public participation.
- The LUA is dedicated to **finalising the decision making process from the delivery of application documents up to the issuing of the licensing documents within a maximum of 6 months**.

- Method: Screening & Scoping. Each individual project is **screened with regard to its potential environmental impact**. On the basis of the screen, the applicant is given a **clear and reliable list of criteria and of documents to be delivered** for the purpose of the specific project
- LUA is prepared to **support the applicant and its consultanting engineers** by means of **technical and legal advice**
- LUA is serving the applicants as a **one-stop-shop for the whole licensing procedure**.  
High priority is put on assisting the applicants with regard to:
  - **avoiding failures,**
  - **saving unnecessary cost,**
  - **minimising delays.**

## Example 2: Croatia - Renewable Energy Advisory Facility (REAF) at the Ministry of Economy, Labour and Entrepreneurship - support to the project developers in administrative procedures

- REAF provide **technical assistance** necessary for successful **project preparation**, especially in **support of project developers in administrative procedure issues** related to prior and final authorization of renewable energy sources (RES) projects.
- The main tasks of the REAF are:
  - » to provide **project preparation support and know-how to project developers**,
  - » to provide **support in handling the registration** of Renewable Energy Resource and Cogeneration Projects and Privileged Producers,
  - » **capacity building** at Ministry of Economy, Labour and Entrepreneurship (MoELE) in **project preparation support**.

- REAF is an **information point**, where project developers obtain useful **information and support in the preparation and development of RE projects**.
- REAF assists applicants with regard to **clarification of procedures** (permitting, financing), as well as **technical and management advice** in order to avoid failures and save unnecessary cost.

**Thank you for your attention!**

**Questions?**

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