

9 September 2008

BUSINESSEUROPE voting recommendations for Directive 2008/0019 on the promotion of the use of energy from renewable sources

In view of the EP ITRE Committee vote on 11 September

▪ **Flexibility instruments**

In order to minimise the costs of reaching the renewable energy targets, the directive must allow for utmost flexibility and market-based instruments. Trading mechanisms are likely to over time lower the overall cost of increasing the share of renewable energy in the EU, however such mechanisms must be implemented with great caution. Against that background and considering the proposals currently on the table in the European Parliament and Council, we support the additional flexibility instruments proposed in the Council by the UK, German and Polish delegation. We also support the optional trading scheme of "Transfer Accounting Certificates (TACs) with a clear division between Guarantees of Origin (GoO) used for disclosure and the trading of TACs. Therefore we ask MEPs to support the **compromise amendments on Articles 6-11 by MP Langen*** .

Countries outside the EU/EEA should have the possibility to participate fully in renewable certificate trading, including through virtual trading. Therefore we ask MEPs to vote in favour of amendment **477**. We also support the **Langen compromise amendment on Article 5.9**.

▪ **Non-binding interim targets and sector targets**

While setting interim renewable targets to be reached ahead of 2020 could have some merit in terms of harmonising the speed of extending renewable energy production across Member States, the indicative nature of interim targets in the current text should be retained, in line with principle of utmost flexibility that must be granted to Member States to reach their targets.

Therefore we ask MEPs to vote against the **Turmes[†]** as well as the **Langen compromise amendment on Article 3**, as well as against amendments **3, 29, 76, 163, 164, 172-180, 321, 387, 393, 973 and 1031-1033**.

While being in favour of a binding template for national Renewable Energy Action Plans, we ask MEPs to vote against the template proposed by amendment **26** as well as the **Langen and Turmes compromises on Article 4 and the accompanying annex** as they demand additional binding national sector targets, which BUSINESSEUROPE strongly opposes.

* Proposals for compromise amendments to the EPP-ED Group proposed by MEP Werner Langen

† Proposals for compromise amendments from PSE, ALDE, GUE, Greens/EFA by MEP Claude Turmes

- **Projects with long lead times and “force majeure”**

In order to retain practical flexibility in target reaching, renewable energy projects with long lead times must count for the renewable energy targets even if they are not finished by 2020 as put forward in the Commission’s directive proposal. Therefore we ask MEPs to vote against amendments **31 and 447**. Member States must also maintain the option of calling for “force majeure” in case that it is under an impossibility to meet its renewable energy targets. Therefore we ask MEPs to vote against amendment **32**.

- **Mitigating cost increases for energy-intensive industries**

We ask MEPs to vote for amendment **774** demanding the Commission to assess the impacts of the directive on energy-intensive industries and households two years after its entry into force, and demanding Member States to take appropriate measures. We also ask MEPs to vote in favour of amendments **415 and 416** calling for precautionary steps Member States shall take to protect the competitiveness of energy-intensive industries.

- **Harmonisation of national support in the long term**

We ask MEPs to vote for amendment **306** calling on the Commission to assess the impacts of moving towards a harmonised support scheme.

- **Renewables in transport**

The directive should focus on ensuring that renewable energy used for transport fulfils appropriate sustainability criteria. This sustainability depends on future technological developments especially on developments in second-generation biofuels. Therefore it is essential to build in a review clause (as included in the **Langen and Turmes compromise amendments on Article 3.3**) to assess whether the biofuels targets set by the directive can be achieved in a sustainable and cost-efficient manner. We also ask MEPs to vote for amendment **128** reflecting this view.

- **Sustainability criteria for biofuels and biomass**

In view of the international nature of the biofuels market EU legislation should not discriminate between EU and non-EU sources and allow for accreditation of international sustainability standards. Therefore we ask MEPs to vote for amendments **869 and 870** that take into account existing standards on sustainable forestry. However, we ask MEPs to vote against amendments **13,15, 380, 808 and 812** which introduce the concept of “High Conservation Value Land”.

We further ask MEPs to vote for amendments **944-951** as well as **1063-1073** to delete technical specifications for biofuels in the directive.

- **Ensure equal treatment of biomass as raw material and as energy source**

The availability of biomass for use as industrial raw material must be safeguarded when promoting renewable energy. Therefore we ask MEPs to vote for amendment **411**. We also ask MEPs to vote for amendments **784-787, 789 and 866** to adopt sustainability criteria not only for biofuels but also for biomass.

- **Clarify the definition of final energy consumption**

We ask MEPs to vote for amendment **356** which brings the directive's definition in line with the one used by Eurostat and the International Energy Agency.

- **Strengthen the internal energy market and electricity grid across Europe**

We ask MEPs to vote for amendments **94** and **736** calling on Member States to speed up the grid development.

We also ask MEPs to vote for amendments **759**, **760**, **762** and **763** that require transmission system operators to provide information to electricity producers

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