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OF THE EIGHTH COMMITTEE
(ENVIRONMENT, TERRITORY AND PUBLIC WORKS)
AND THE TENTH COMMITTEE
(ECONOMIC ACTIVITIES, TRADE AND TOURISM)**

**FINAL DOCUMENT, PUBLISHED PURSUANT TO
RULE OF PROCEDURE NO. 127 AND RELATING TO:**

A proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast). (COM (2016) 767 final)

Approved 2 August 2017

Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (recast). COM (2016)767 final.

APPROVED FINAL DOCUMENT

The Committee on Environment, Territory and Public Works and the Committee on Economic Activities, Trade and Tourism of Italy's Chamber of Deputies, meeting in joint session,

having examined, in accordance with Rule of Procedure no. 127, the proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources (COM (2016) 767);

taking cognisance of the information and analyses provided to the Committees in the course of the hearings;

whereas:

The proposal we have examined is particularly pertinent to the "Clean Energy for All Europeans" package, which aims to make Europe a world leader in renewable energy;

The proposal for a Directive aspires to bringing the European Union's use of renewable energy sources (RES) to at least 27% of total consumption by 2030, which is the target agreed at the European Council meeting of October 2014, underpinning the plan that the European Union presented at the Paris Agreement;

In a departure from the current regulatory framework of Directive 2009/28/EC, instead of fixing binding national targets, the European Commission's proposal sets a collective EU-wide target coupled with a series of binding measures relating to individual segments (electricity, heating and cooling, and transport);

The European Commission believes that the proposal for a Directive has become necessary because, without fresh initiatives, the EU will reach a renewable energy consumption level of just 24.3% by 2030, falling short of the level of at least 27% that was set as a binding target for the EU as a whole, and therefore failing to deliver on the commitments given in the 2015 Paris Agreement;

The proposal for a Directive is closely related to the EU's reform package for the electricity market, which, by incorporating renewable sources into the grid, aims to effect a shift from a system based on large production facilities to one based on multiple small and decentralised generation plants, with the active participation of both civil and industrial consumers/producers and consumer aggregators;

Stepping up the use of renewable energy also offers clear economic benefits. European Commission data shows that renewable sources have contributed a good deal to the security of energy supply, having already reduced fossil fuel imports by an estimated 16 billion euros in 2015, a saving that is expected to grow to 58 billion euros by 2030;

The output from renewable energy sources and their share of total consumption have increased significantly over the last 20 years across the EU as a whole, though considerable

differences persist between Member States. Whereas 11 Member States, including Italy, have already reached their target for 2020, others lag far behind;

In contrast to the significant progress made in upgrading building heating and cooling systems and in reducing electricity consumption, considerable delays continue to affect the transportation industry where, in 2015, the use of energy from renewable sources amounted to just 6 per cent of the total;

The first paragraph of Article 5 of the proposal for a Directive declares that Member States shall open support for electricity generated from renewable sources to generators located in other Member States. Under the second paragraph of the same article Member States shall ensure that support be progressively opened to installations located in other Member States - through opened tenders - for at least 10% of the newly-supported capacity in each year between 2021 and 2025 and at least 15% of the newly-supported capacity in each year between 2026 and 2030.

Mindful that the present final document needs to be forwarded without delay to the European Commission as part of the political dialogue, as well as to the European Parliament and the Council,

EXPRESS A FAVOURABLE OPINION,

with the following remarks:

a) Whereas, on the one hand, the proposal for a Directive sets stricter common objectives for the EU as a whole, on the other hand, we must be alert to the danger that easing the obligations of individual Member States might embolden the less virtuous of them to behave opportunistically and thus compromise the accomplishment of the common goal. Some of the major energy consumers in the EU are currently falling short of their target for 2020. The reality may well be that the objective of increasing the share of energy from renewable sources to at least 27 per cent of the total by 2030 is not compatible with maintaining the binding targets for 2020 that the current legislation sets for each Member State. Those targets may therefore need to be raised;

b) With reference to the second paragraph of Article 5 of the proposal for a Directive, an evaluation should be made of whether it makes sense to keep the obligation of Member States to allocate a small – but rising – portion of newly-supported capacity to facilities located in other Member States;

c) Neither the estimated costs of implementing the Directive nor the financial resources that may be activated for the achievement of its targets are mentioned in the text of the proposal itself – though reference is made to them in the explanatory memorandum and in the attached working documents. Both need to be laid out in greater detail in the proposal;

d) In view of the fact that excessively restrictive rules on state aid may nullify the flexibility that the proposal purports to allow Member States for the adoption of pro-investment measures, it might be preferable to take a simpler and more flexible approach that provides Member States with an immediately applicable set of rules;

e) With respect to the first paragraph of Article 25, a more detailed definition needs to be provided of the methodology used to calculate the share of biofuels drawn from the natural gas distribution network, in particular with respect to biomethane. The calculation methodology should not discriminate among advanced biofuels and should incentivise the production and consumption of this source, and reference should be made to the European Commission's 2016 definition of advanced biofuels;

f) With regard to district heating and district cooling, given that the "full third-party access" model is not entirely compatible with Italy's system, which is centred around medium and small networks with strong vertical links uniting energy production with distribution and sale, we recommend reconsidering whether it might not be better to give Member States wider discretion;

g) We need to proceed in a manner that is consistent with the "Europe on the move" package of measures that the European Commission presented recently, one of the aims of which is to promote the use of renewable energy sources in the transport industry;

h) The transposition and implementation of the provisions of the Directive have made it all the more necessary to update our National Energy Strategy (NES), which dates back to 2013 and serves as the primary policy planning and steering document for the Italian energy sector. The Italian government is already at work on a review of the NES, in the course of which it will have to set national-level priorities to promote the greater use of renewable energies;

i) In view of the fact that investment in renewable energies, in energy efficiency and in the modernisation and integration of the European energy markets is essential not only for the decarbonisation of the economies of the EU but also for growth, job creation and global competitiveness, and given that the above goals form the basis of a technological advantage for European industry, we need to engender a favourable environment for investment, which means bolstering investor confidence and increasing the sum and duration of the resources appropriated from the European Fund for Strategic Investments;

j) There must be no understating of the importance of ensuring that the EU's emission trading system (EU ETS) is working effectively: i.e., is capable of assigning a carbon price that will steer investments towards renewable sources, and thus towards the relinquishment of fossil fuels, beginning with coal;

k) A particularly compelling case can be made for the idea of giving citizens the power to self-consume and store renewable electricity, to sell any excess power they generate, including citizens who form renewable energy producers/consumer communities, by making appropriate investments in electricity distribution systems and making sure system costs are shared equally;

l) A particularly compelling case can also be made for designing medium-/long-term strategies for the renewable energy sector that allow us to meet in full the objectives set out in the Paris Agreement, and therefore contain the average global temperature rise to well below 2°C above its pre-Industrial Revolution level, and to aspire to holding the rise to within 1.5°C.