



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2012)

Opinion

Title **DG ENER - Impact Assessment for Renewable Energy
Strategy post 2020**

(draft version of 12 April 2012)

(A) Context

The Energy Roadmap 2050 looked in detail at the impacts and challenges for the EU's energy system of a deep decarbonisation in the 2050 timeframe. In this context, it also identified a number of challenges that the European renewable energy sector will face in the medium and long term, including issues such as policy framework, financing, internal market, energy infrastructure, research and innovation, and public acceptance/sustainability. This Impact Assessment aims at supporting the forthcoming Communication on the 'Renewable Energy Strategy post 2020' by bringing in more detailed insight on all these challenges as well as identifying possible policy options to be taken at EU level to address them.

(B) Overall assessment

While the revised report has been improved based on the first Board opinion, it should be further strengthened in a number of respects. First, it should better explain what is concretely to be achieved by this particular initiative. Second, the report should still attempt to better explain the linkages between this initiative and other areas of the energy/climate change policy mix and should strengthen the rationale and the evidence base for the need for certainty for investors. Third, some further clarity is required on the content of the options and on how they relate to the problem drivers and objectives. Fourth, aspects of the economic impacts should be further clarified and a table summarising the impacts of all options should be included. Finally, a greater effort should be made to better integrate stakeholders' different views throughout the text.

(C) Main recommendations for improvements

(1) Better explain the policy context and strengthen the problem definition. While the report better describes the current context for renewable energy strategy it should nevertheless strengthen further the explanation as to what is hoped concretely to be achieved by this particular initiative in particular by setting out how this initiative fits within the process of developing a post-2020 strategy for renewables. The evidence base to support the need for action should be further developed by discussing in greater depth

the need for certainty for market players, particularly given that some Member States have already set out concrete plans for the post-2020 period. In that context the report should better incorporate relevant stakeholders' views. The problem definition section should still attempt to better explain the linkages between this initiative and other areas of the energy/climate change policy mix and therefore demonstrate how a coherent, holistic strategic approach is being taken. The rationale for selection of the year 2030 as a medium term perspective should be clarified.

(2) Strengthen the description of options. The report better describes the content of the options but it should still further clarify whether other strategic choices (than those for which modelling is available) are feasible or have been indicated by stakeholders. Although the report now includes a table showing how the options relate to the problem drivers, these linkages should be better identified in the actual text. In relation to option 4, while noting the inclusion of an example, the report should also further clarify what forms the harmonised support schemes would take and in particular the way in which the open trading of renewable energy across the Member States would be implemented should be further explained. Also, the explanation for the extension of harmonised support to the production of renewable energy in neighbouring countries should be developed further.

(3) Improve the assessment of impacts. In general the report presents a more structured and proportionate analysis of the economic, environmental and social impacts, however some of the changes require further explanation. For example, the conclusion concerning the costs of the financing elements of option 3 compared to option 4 should be better explained and clarified. In addition, it should be clarified why option 2 does not reflect any of the external cost of security and diversity of energy supply. Furthermore, the 'merit order' effect should be better explained. The report should include more information on coherence of the options with related policies, particularly for options 3 and 4.

(4) Be more specific on the results of the stakeholder consultation. While the inclusion of stakeholder views has improved, the different stakeholder views need still to be integrated much more systematically throughout the report. The views of key categories of stakeholders should be separately highlighted and more detail provided on the extent to which they oppose or support new targets for renewable energy post-2020.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

In order to facilitate readability the report should include table summarising the impacts of the options. The executive summary of the IA should be updated to fully reflect the changes made in the main document.

(E) IAB scrutiny process

Reference number	2012/ENER/001
External expertise used	No
Date of IAB meeting	This opinion concerns a resubmitted draft IA report. The first opinion was issued on 30 March 2012.