

## Implementing the EU Renewables Directive

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In December 2008 the European Parliament, Council and Commission passed the Renewables Directive. It obliges Europe to increase its share of renewable energy deployment from 6% to 20% of total energy supply by 2020. This is a visionary policy that creates an opportunity for Europe to move towards a long-term climate stabilisation scenario.

The Renewables Directive ensures that the European economy can move along its emissions reduction trajectory while continuing to use energy and enjoy economic progress. To achieve this objective Member States must adopt a policy framework that adjusts planning procedures, evaluates the energy market design, provides grid and supply infrastructure and implements support schemes that limit regulatory risk for finance. A failure to pursue any one of these changes risks the successful deployment of renewable energy technologies.

Naturally, the complexity of the policy framework does not allow one to easily characterize the overall success of any single policy decision. The nature of such decisions in the renewable energy sector illustrates that a policy barrier limiting project finance may only become clear after removal of any barriers to the supply chain, and barriers to the supply chain may only become apparent once barriers to project planning and grid access are clear. This raises a question of how to design a policy framework that ensures the sufficient removal of *all* barriers to renewables deployment.

Recently, policy indicators have received an increased level of attention with respect to policy implementation. Such indicators have facilitated benchmarking, information exchange and monitoring of effective implementation of policy decisions, and the use of indicators has enabled targets to become an integral part of policy design. International processes, such as the implementation of the European Commission's renewable electricity Directive

2001/77/EC, represent successful applications of quantitative policy indicators.

This paper discusses how quantitative policy indicators and targets for selected aspects of the policy framework can:

- contribute to the effective and comprehensive implementation of national policy frameworks that facilitate sufficient deployment of renewables;
- enhance accountability of politicians, senior civil servants and private sector actors for future generations;
- increase the visibility of policy for the private sector to facilitate early investments in the supply chain.

Increased transparency provided by policy indicators facilitates management of policy implementation, enhances accountability of governments, and can inform the reporting of Member States to the European Commission. This allows technology companies to have confidence in projected deployment levels and can trigger private sector investment in the supply chain to provide the necessary production capacity.

More so, in the broader context of the European Renewables Directive, quantitative policy indicators can help to create a harmonised European approach which facilitates cross-country comparison and learning.

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