

# Support schemes for green electricity in the enlarged EU

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## Content:

- Overview of promotion instruments for RES-E in the EU-25
- Spread of quota obligations in the EU from 1998-2004
- Reasons for the diffusion of quota obligations in the EU
- Diffusion of feed-in tariffs in the EU since 2001/2002
- Reasons for the diffusion of feed-in tariffs in the EU
- Factors which influence the RES development
- Success conditions of instruments for the promotion of RES-E



**Instruments for promoting renewable electricity in the EU-25 in July 2005 (European Commission 2004b: 66; European Commission 2005: 55; Reiche/Bechberger 2005: 29).**

Country	Feed-in tariff	Quota obligation + certificate trading	Tenders	CO <sub>2</sub> /energy-tax	Environmental funds (subsidies, soft loans, etc.)	Tax relief/ exemption/ deduction
Austria	• <sup>1</sup>				•	•
Belgium		•			•	•
Cyprus						•
Czech Republic	•				•	•
Denmark	•	○		•		
Estonia	•				•	•
Finland				•	•	•
France	•		• <sup>2</sup>		•	•
Germany	•			• <sup>3</sup>	•	•
Greece	•				•	•
Hungary	•				•	•
Ireland			• <sup>4</sup>		•	•
Italy	• <sup>5</sup>	•			•	•
Latvia	•		•		•	•
Lithuania	•				•	•
Luxembourg	• <sup>6</sup>				•	
Malta						•
Netherlands	•			•	•	•
Poland		•			•	•
Portugal	•				•	•
Slovakia					•	•
Slovenia	•			•	•	•
Spain	•				•	•
Sweden		•		•	•	•
United Kingdom		•		• <sup>3</sup>	•	•

• = main promotion instrument; ○ = introduction is planned; <sup>1</sup> only for installations which were realised until the end of 2004 (new regulation still unclear); <sup>2</sup> foreseen only for wind farms over 12 MW capacity; <sup>3</sup> parts of the revenues of the energy taxes are used to finance RES projects; <sup>4</sup> In April 2005, the Irish Minister for Communications, Marine and Natural Resources announced the introduction of a fixed feed-in tariff system (DCMNR 2005); <sup>5</sup> only for installations which were realised until the end of 2000; <sup>6</sup> only for installations which were realised until the end of 2004 (but new REFIT system to be adopted).

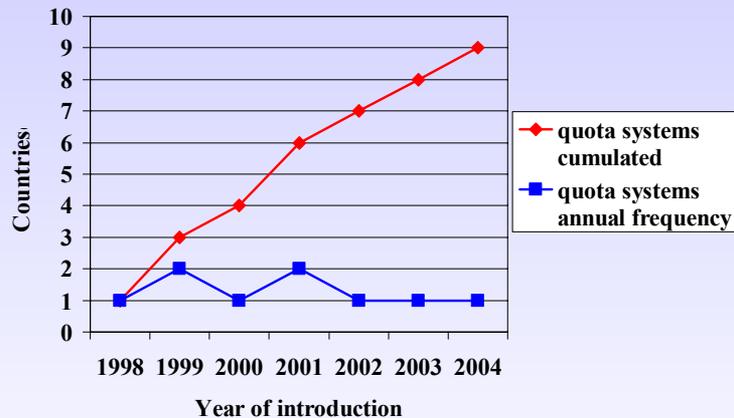


## Spread of quota systems in the EU-28 1998 – 2004

- 1998: The Netherlands (until 2001)
- 1999: Italy, Denmark (but postponed several times)
- 2000: Austria (until 2003)
- 2001: Poland, Belgium (Flanders, Wallonia)
- 2002: UK
- 2003: Sweden (1.5. 2003)
- 2004: Rumania



## Diffusion course of quota systems in the EU-28 between 1998-2004



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## Reasons for the diffusion of quota systems from 1998-2004

- Preference of the EU-Commission
- Pending lawsuit of the European Court of Justice
- To avoid costly adjustments to European legislation
- International economic framework conditions more favourable for quota systems

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## Spread of feed-in tariff systems in the EU since 2001/2002

2001: France

2002: Czech Republic, Slovenia, Lithuania

2003: Austria, Hungary, the Netherlands and Bulgaria

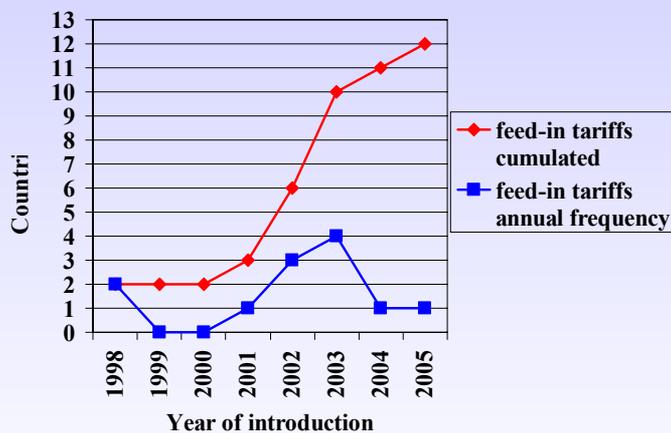
2004: Cyprus

2005: Turkey (coming into force expected 2006)

Planned introduction: Ireland (announced 4/05)

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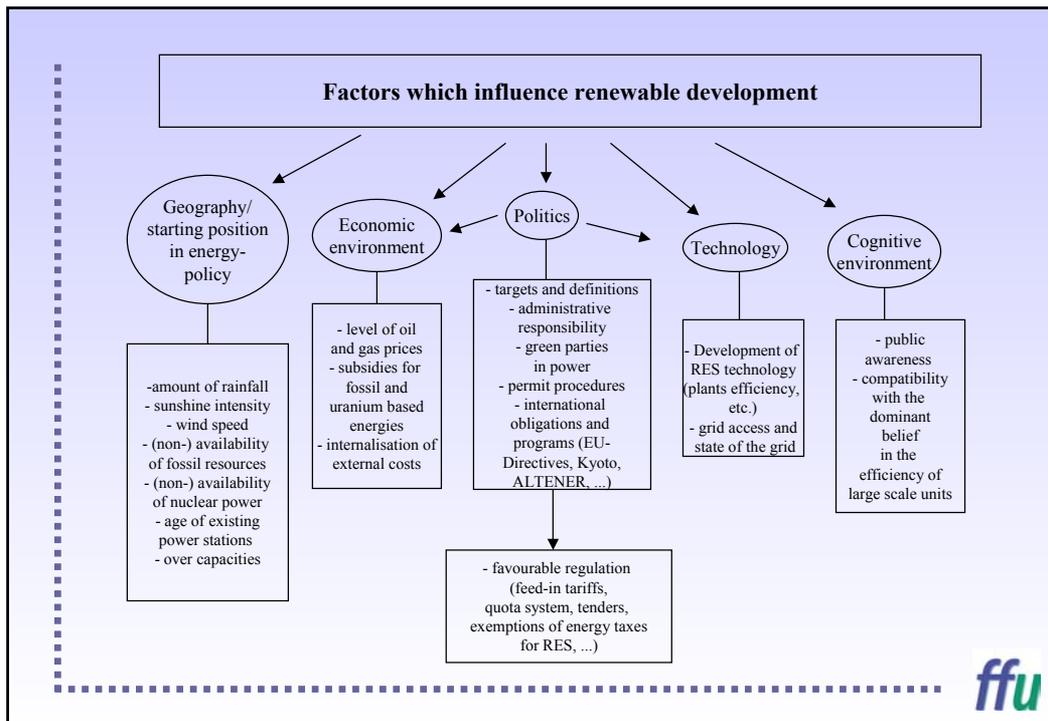
## Diffusion course of feed-in tariff systems in the EU-28 between 1998-2005

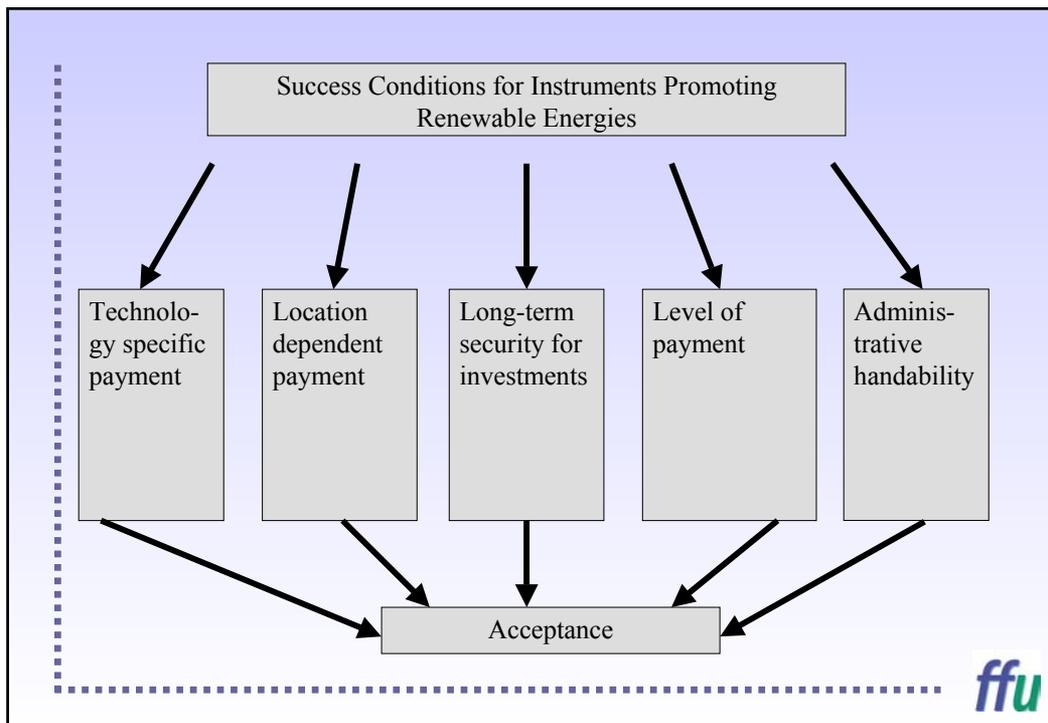


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## Reasons for the spread of feed-in tariffs in the EU since 2001/2002

- Decision by the Court of Justice of the European Communities in March 2001
- No instrumental choice in the EU-Directive on the promotion of green electricity from September 2001
- Green electricity forerunners successfully used feed-in tariffs (D, ES, DK)





## Résumé

- Differences in RES-use cannot only be explained with the natural conditions. Natural Conditions are an important, but not sufficient explanation for success or failure in RES policy.
- Single Factors are often overvalued. Success or failure in RES policy can only be explained in combination of all the presented factors.
- Most successful countries in RES use Feed-in Tariffs. But there is no natural superiority of any instrument, success depends on the specific construction of the tool

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**Thank you very much for your attention!**

