

SolarPower Europe
recommendations
to deliver 45% renewable
energy by 2030

The Executive Summary



Key Recommendations

on the Review of Directive 2018/2001/EU on the promotion of the use of energy from renewable sources

1. Increase the share of renewable energy in final energy demand to at least 45% by 2030 (Article 3).
2. Enhance the framework for Commercial & Industrial renewable energy self-consumption (Articles 4 and 21).
3. Improve the Guarantees of Origin framework and increase its transparency (Article 19).
4. Support renewable hydrogen through a robust certification system and dedicated quotas in hard-to-abate end-use sectors, while massively deploying new renewable electricity capacity.
5. Strengthen provisions on administrative procedures and improve their implementation (Article 15).
6. Set minimum requirements for the generation of renewable energy on buildings (Article 15).



Key messages

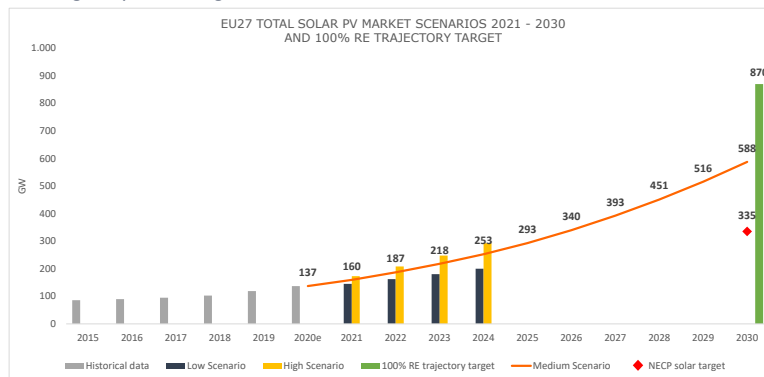
The review of Directive 2018/2001/EU on the promotion of the use of energy from renewable sources (REDII) is a significant opportunity to improve the existing framework, support the reduction in greenhouse gas emissions by 55% by 2030, and put the EU on a cost-effective trajectory to achieving climate neutrality by 2050.

1. By 2030 the share of renewable energy in final energy demand should be at least 45%.

Aligning Europe’s 2030 climate and energy targets with the ambition to achieve climate-neutrality by 2050 is an absolute necessity. In particular, the EU’s renewable energy goal should be increased to deliver a **45% share of renewables in final energy demand by 2030** (Article 3). This target is in line with a cost-effective trajectory towards climate neutrality by 2050 and consistent with a 1.5 C Paris Agreement scenario¹. It should be **binding both at the EU level and at national level**.

Driven by the increasing cost-competitiveness of the technology, the EU is likely to overachieve its current solar ambitions, as defined in Member State’s NECPs. **SolarPower Europe’s Medium Scenario² projects that 588 GW of solar capacity will be deployed by 2030**, which is 75% higher than the current solar capacity foreseen in Member States’ NECPs for 2030 (335 GW).

Reaching 45% of renewables in the EU’s final energy demand, corresponding to 870GW by 2030, is within reach and would put the EU on track to deliver on the 1.5 Paris Agreement scenario. This target can be met through the implementation of an appropriate policy frameworks, reflecting the ambitions of the European Green Deal to drive further additional renewable installations by removing key bottlenecks in grid access, financing, or permitting.



¹ SolarPower Europe and LUT University (2020): 100% Renewable Europe: How To Make Europe’s Energy System Climate-Neutral Before 2050. <https://www.solarpowereurope.org/100-renewable-europe/>

² SolarPower Europe (2020): EU Market Outlook for Solar Power 2020-2024. <https://www.solarpowereurope.org/european-market-outlook-for-solar-power-2020-2024/>



2. Enhance the framework for Commercial & Industrial renewable energy self-consumption.

The future could look bright for Commercial and Industrial (C&I) prosumers. Although forecasts show that installed solar PV capacity in Europe may reach around 245 GW in the commercial sector and 300 GW in the industrial sector by 2030³, this potential remains largely untapped.

The RED II adopted in 2018 establishes a pioneering enabling framework for self-consumption installations below 30kw. However, it does not tackle the need to remove barriers and facilitate **mid-sized self-consumption installations between 30 kW and 1 MW in size, which are typically covering Europe's C&I segment**. Specifically, [Article 4 should](#) exempt solar installations under 1MW from tendering schemes which are not appropriate for small and medium corporate self-consumers. Furthermore, stronger safeguards are needed to ensure the robust implementation of [provisions in Article 21, particularly those related](#) to the removal of restrictions on third party ownership of on-site renewable installations, the possibility for C&I self-consumers to contract with multiple energy suppliers, and self-supply their facilities through a direct line.

3. Improve the Guarantees of Origin framework and increase their transparency.

The framework regulating Guarantees of Origin (GOs), [defined in Article 19 of the REDII](#), should be strengthened to **ensure Member States issue GOs to all renewable electricity producers**, irrespective of whether the renewable energy projects are installed behind-the-meter or whether they receive state support. GOs are meant to trace green electricity in the power system and are therefore critical to demonstrating the use of renewable electricity. The impossibility of receiving GO's when contracting with supported renewable installations is a critical barrier to corporate renewable PPA's in key markets such as France, or Germany, despite clear provisions to avoid over-compensation in the REDII (defined in Article 19.2. of the REDII). Furthermore, **the transparency of GOs should be improved. GOs should contain additional information**. Information on the time of generation should be provided at a more granular level to encourage matching of supply and demand. Finally, **rules to guarantee the traceability and ensure issuance of GOs to all renewable electricity producers should follow a standardised approach across all Members States**.

4

³ RE-Source (2020) On-site renewable electricity and storage for corporates: business models & policy framework. https://resource-platform.eu/wp-content/uploads/202011-Re-Source-Force_On-Site-Generation-and-Storage_Challenges-and-Barriers-web-3.pdf



4. Support the uptake of renewable hydrogen.

The revision of the REDII should [introduce a robust certification and traceability system for renewable hydrogen](#). It should develop dedicated market pull instruments to support the cost-competitive production of renewable hydrogen (contracts for difference, premiums) and to generate lead-markets at end-use level (CAPEX and OPEX support). Such measures should not cover low-carbon hydrogen sources (mostly non-renewable and fossil-based) and include ambitious provisions, [promoting the production of renewable hydrogen from additional renewables](#) that are added or curtailed from the grid. It should support business models with a strong linkage to new or repowered renewable energy installations (PPAs, on-site), or curtailed renewable electricity. Supporting the uptake of renewable hydrogen also requires removing barriers to the deployment of new renewable electricity projects, such as grid access and permitting.

5. Strengthen provisions removing administrative barriers for renewable projects.

Administrative procedures remain a clear challenge to the development of renewable energy projects across the EU, and the implementation of the Clean Energy Package provisions will be critical. **The Revision of the RED II should seek to further reduce regulatory burdens, including administrative burdens through a non-regulatory guidance and a targeted revision of articles 15 and 16.**

Specifically, **the revised REDII should require the development of permitting guidelines for renewable energy projects**. They should highlight best practices, using the results of the RES Simplify project, and define a series of Key Performance Indicators (KPIs), such as standard approval time or approval rate of the permits, or the number of staff requires to assess permits in relevant administrations. Such KPIs would allow continuous monitoring of the administrative procedures related to renewable development and allow for monitoring of the implementation of the related provisions of the CEP. Thereby the circulation of best practices would be facilitated, and future challenges could be anticipated, based on lessons learnt.



6. Set minimum requirements for generation of renewable energy on buildings.

The ambition of the Renovation Wave to decarbonise the EU building stock calls for a further improvement of administrative procedures for distributed solar installations. The [revision of Article 15](#) should foster the deployment of on-site solar rooftops by introducing, **municipal level targets for buildings to generate renewable energy and provide demand-side flexibility in both new and existing buildings, as part of the Member States building codes.**

As a minimum, the generation targets should seek to meet the technical potential for solar rooftops as calculated by the JRC⁴. In addition to fostering distributed renewable energy, targets foster the deployment of distributed energy storage and flexibility solutions, aiming to meet the 160 GW demand response potential expected in 2030⁵.

In addition to the mandatory requirements, the simple notification procedure currently in place for the authorisation of decentralised devices (article 15.1.d) should be extended to the permitting stage.

⁴ JRC (2019) A high-resolution geospatial assessment of the rooftop solar photovoltaic potential in the European Union. <https://ec.europa.eu/jrc/en/publication/high-resolution-geospatial-assessment-rooftop-solar-photovoltaic-potential-european-union>

⁵ European Commission (2016). Impact Assessment Electricity Market Design Regulation and Directive. https://ec.europa.eu/energy/sites/ener/files/documents/mdi_impact_assessment_main_report_for_publication.pdf