



Thinking the Transition



5th Vienna Forum on Energy Law

Will we reach the targets?

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5 May 2017



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Short answer: yes – EU targets are legally binding at EU level

- Energy efficiency target is enforceable
- Renewables target: enforceable?

Reality is more complex ...

What drives renewables investment?

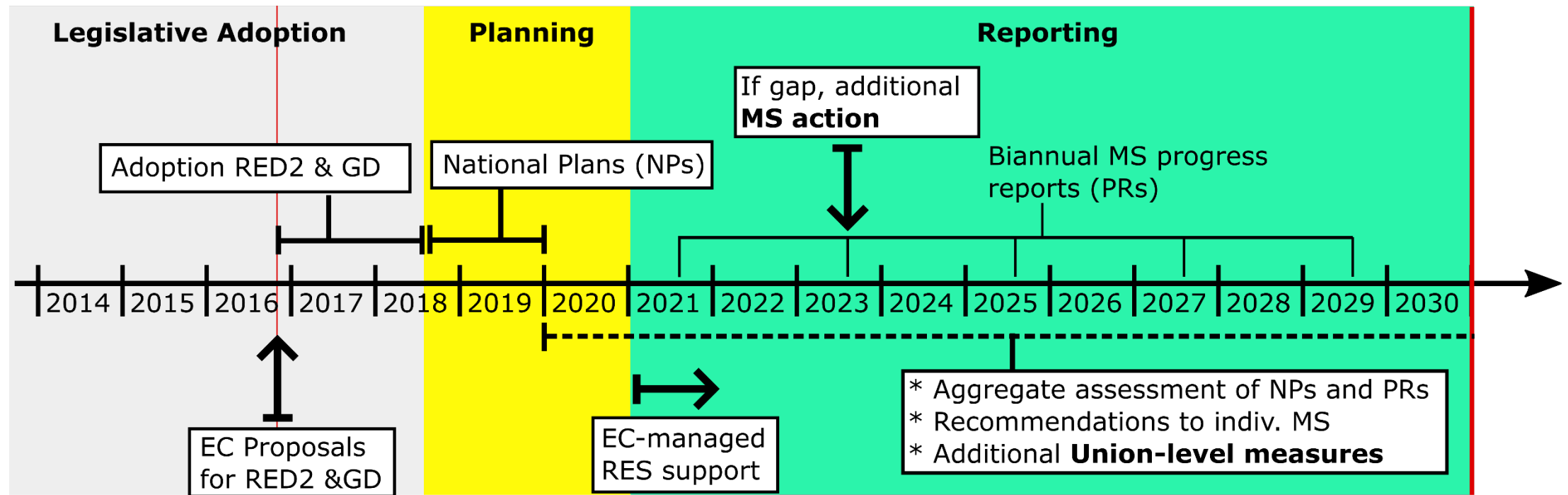
- Legally binding targets ?
- EU Governance ?
- Market (design) ?
- Support systems: auctions ?
- Technology costs ?
- De-risking ?
- Energy efficiency policy ?

Legally binding at member state level

“The vast majority of EU countries are well on track to reach their 2020 binding targets for renewable energy, but all countries will have to continue their efforts to meet these targets.” (European Commission Progress Report 2017)

EU governance

- Both member state and EU action



Governance timeline until 2030

Market (design) – Clean Energy For All Package

- Short-term markets to increase flexibility
- Interconnections
- Dynamic pricing of DSOs
- Phase out overcapacity, e.g. coal
- Sector-coupling: electrification, hydrogen
- Increase in carbon price, e.g. ETS
- Capacity mechanisms (?)
- National plans and consensus

Support systems: auctions

- Allow for site-specific conditions
- Competition and price discovery; recent German off-shore auctions

Technology costs

- Experience: learning by doing
- Technology progress: bigger turbines with higher capacity factor (reduce investment cost)
- Large projects (e.g. 900 MW) allow for economies of scale
- Location (synergies with existing plants) & site conditions (wind speeds)
- Extended life time, e.g. from 25 to 30 years

De-risking

Confidence in strategy and framework at member state level

Onshore transmission and interconnectors

Market reality & expectation:
e.g. ETS price, overcapacity, electrification ...

Relationship renewables energy efficiency

Now: economic efficiency & GHG emissions

- reduces 'energy load' to reduce 'use' and 'investment'
- Reduces GHG emissions

Future: also 'market' value of efficiency

- Sector coupling: electrification, hydrogen = efficiency policy (transport)
- Arbitrage; energy efficiency and supply (building)
- Flexibility: prosumer



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