

CEER Citizens' Q&A

Status Review of Renewable and Energy Efficiency Support Schemes in Europe in 2012 and 2013

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What are renewable energy sources?

Renewable energy sources (often referred to as RES) include wind, hydro (water/tidal) and solar power, as well as biomass, biogas and geothermal energy. These sources of energy are low or zero carbon and therefore offer a more sustainable alternative to traditional fossil fuels (i.e. coal, oil and gas). The development of RES is important for a number of reasons, including meeting Member States' and pan-European carbon reduction targets, encouraging growth in low carbon innovation, goods and services, and contributing to energy security of supply across Europe.

What is the Status Review report?

The CEER Status Review aims to provide an overview of the current national support schemes which are in place in CEER member countries to encourage the deployment of RES and improvements in energy efficiency. CEER used a questionnaire, circulated to all the National Regulatory Authorities in its member countries, posing questions on the different ways that their country provides support for renewable energy and energy efficiency.

How do support schemes work?

The purpose of support schemes is to encourage the take up and deployment of renewable energy generation, energy efficiency and heating/cooling technologies amongst industrial, commercial and residential consumers. Many types of renewable energy technologies are not yet cost-competitive with more traditional, established technologies, hence subsidies are used to support the 'maturing' of these technologies until they reach a point where they can compete alongside more established generation.

Why is this important for energy customers?

Support for renewables can affect consumers in a number of ways. To the extent that support is either passed on through electricity prices or directly added to electricity bills, the costs of achieving the agreed objectives will ultimately be borne by end-users. There may be other implications as well, for example, an increase in domestic RES production may also

bring security of supply benefits. Understanding the different approaches to RES subsidies can help to inform and improve future support scheme designs.