

## CEER Citizens' Q&A

### Status Review of Renewables Support Schemes in Europe for 2016 and 2017

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#### 1 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 various reasons, including meeting EU 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.

#### 2 What Is the Status Report for Renewable Energy Support Schemes in Europe?

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. CEER used a questionnaire, circulated to all the National Regulatory Authorities for energy in its member countries, posing questions on the different ways that their country provides support for renewable energy. This report is published biennially to reflect changes in national RES support schemes in a timely manner. The report includes information on the coverage and cost of the support schemes in member countries and on a weighted average basis across Europe.

#### 3 How Do RES Support Schemes Work?

The purpose of support schemes is to encourage the take-up and deployment of renewable electricity generation. Some renewable technologies are not yet cost-competitive with more traditional, established technologies, hence financial support is used to support the 'maturing' of these technologies until they reach a point where they can compete alongside more established generation. Support schemes support an ambitious RES deployment target in the EU (at least 32% of energy by 2030).

#### 4 What Is the Impact on Energy Customers?

RES policies, including support for renewables, can affect consumers in a number of ways notably through direct impacts on the electrical system (additional grid development, new suppliers and RES sourced electricity products), as well as through overarching environmental and social benefits (employment, new market opportunities). In most cases, the costs of achieving the agreed objectives will ultimately be borne by end-users (energy consumers), either by passing them on through electricity prices or by directly adding them to electricity bills.

The current CEER Status Review shows that the weighted average support for RES, on top of the wholesale price, decreased from €110,22/MWh<sup>1</sup> in 2015 to an average of €96,29/MWh across 25 countries for 2017. This is a decrease of 12,6%. A decrease in support costs is important for energy customers, as the latest ACER-CEER Market Monitoring Report shows that RES charges in 2016 and 2017 composed of 13% to 14% respectively of the average household electricity price in Europe.

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<sup>1</sup> The weighted average support for 2015 was based on 26 CEER Member countries.

It is therefore in the interest of consumers to achieve RES deployment in the most cost-effective manner. Understanding the different approaches to RES support can help to inform and improve future support scheme designs, thereby reducing costs for consumers.