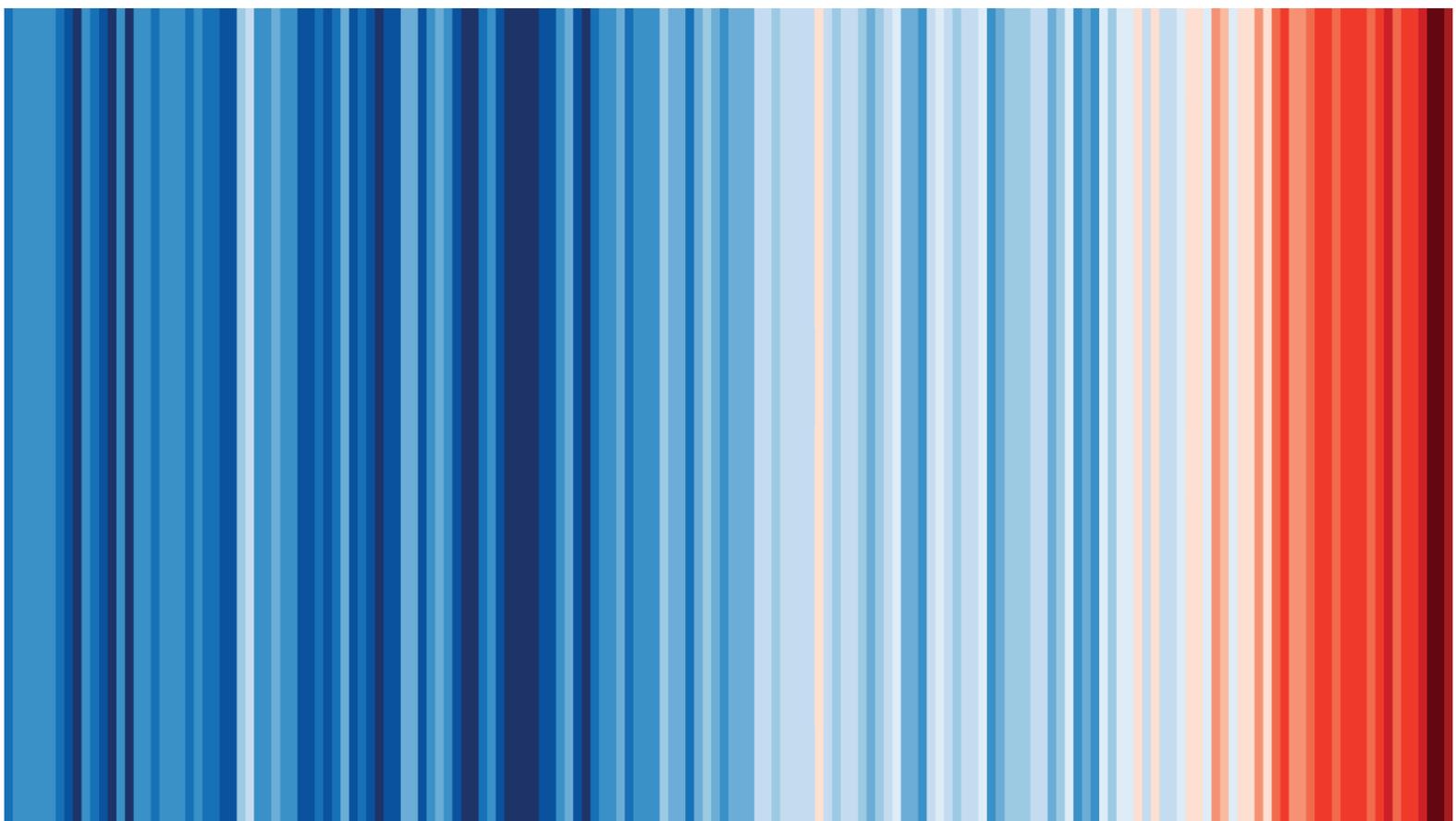


Vienna Declaration

Call on European Governments to Deliver
the Energy Transition

July 2, 2018



Annual global temperatures from 1850-2017. Each stripe represents the temperature of a single year, ordered from the earliest available data to now. ©ed_hawkins

National Renewable Energy Associations Call on European Governments to Deliver on the Energy Transition

Our organizations are committed to delivering a clean energy future for Europe in both the short and the long term. Renewables are the foundation of an economically, ecologically and socially flourishing future. They create more jobs and lead to more prosperity than conventional energy. Last month, the European institutions agreed on parts of the Clean Energy Package for all Europe-ans - by adopting the Renewable Energy Directive, the Governance Regulation, and the Energy Efficiency Directive, the first steps have been taken.

The second part of the negotiations will concern the Market Design Directive and Regulation, which need to strengthen the provisions made in the first part of the Clean Energy Package. These files offer a unique opportunity to transform fossil-focused, inflexible electricity markets into renewable energy markets. This would thus enable and increase the uptake of renewable energy and create the level playing field necessary for achieving Europe's mid and long-term decarbonization goals, as well as providing European technological leadership. The signatories of this letter welcome the Austrian Council Presidency spearheading the negotiations. We call on them and the national governments to ensure:

A Phasing-Out of Capacity Markets

If more Member States introduce capacity markets to address their generation adequacy issues or to subsidize fossil and nuclear energy, the EU will continue to experience an overcapacity of power generation. The uncoordinated introduction of ill-designed capacity mechanisms tends to perpetuate the existence of paid-off fossil fuel and nuclear capacity, and impede the formation of meaningful prices for private households and commercial investors. Capacity markets are not a necessary measure to ensure security of supply. They distort power markets, thus preventing necessary investments in domestic renewables coupled with flexibility options. We, the signatories, strongly oppose the introduction of new capacity markets and call on you to revise or phase-out existing ones.

Functioning Markets for Renewables

For renewable power to respond to market price signals, it is necessary to change market and grid operation rules. Market integration of renewable energy is not the sole purpose of the energy transformation, rather it is necessary to adapt energy markets to suit the flexible nature of renewable energy. The current structure and operation of markets are not designed to accommodate increasing shares of renewable energy. Polluting and inflexible must-run capacity should be removed quickly from the market – urgently in the Member States that already have a significant overproduction of fossil fuel and nuclear power. The external costs of these technologies should be internalized, and their subsidies, including those reaped through capacity markets, should be removed.

Grid Priority for Renewables

In case of grid bottlenecks, renewable energy must be prioritised until electricity markets are fully functional and until distortions caused by the overcapacity of fossil and nuclear power, that prevent the existence of a transparent pricing mechanism, are removed. This will prevent high-risk premiums for investments during the transition period. A transparent and strong framework will allow this priority to be phased out in the future.

A Real Price on Carbon

In spite of its role to address climate change and shift investments from fossil fuels towards renewables, the European Union's Emissions Trading System has, on the whole, failed to deliver. With allowance prices ranging from €3 - €10 per ton since 2011, and having only recently nudged €15, the success of this instrument remains questionable. The EU ETS neither provides a strong and stable price signal that would kick off investment in renewable energy nor that would lead to a real fuel switch. It is thus necessary for Member States to push for the introduction of additional measures that guarantee that the right type of long-term investments will be made. Whether at European or at regional level, whether in the form of a carbon tax or a carbon floor price, European governments need to act now to achieve the goals they committed to in Paris – and they can start by setting a real price on carbon

Supporters of the Vienna Declaration:



Spanish Association of Renewable Energy Companies



Dutch Association for Renewable Energy



Nordic Folkecenter for Renewable Energy

Nordic Folkecenter for Renewable Energy



Swedish Renewable Energy Association



Slovak Chamber of End-Users and producers of Renewable Energy Sources



Polish Association for Small Hydropower Development



Associação de Energias Renováveis

Portuguese Renewable Energy Association



Eesti Taastuvenergia Koda

Estonian Renewable Energy Association



Komora obnovitelných zdrojů energie

Czech Chamber of Renewable Energy Sources



Hellenic Small Hydropower Association



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UK Renewable Energy Association



Austrian Renewable Energy Association



European Renewable Energies Federation

European Renewable Energies Federation



Bundesverband Erneuerbare Energie e.V.

German Renewable Energy Federation

