
CEER Citizens' Q&A

CEER Paper on Unsupported RES

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, such as coal, oil, and gas). The development of RES in the 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 CEER paper on unsupported RES?

The CEER paper on unsupported RES aims to provide an overview of how much supported RES capacity is currently installed and what share is reaching the end of its support time between 2022 and 2030. It also highlights various business model options and challenges for installations after they reached the end of their support time. CEER used a questionnaire, circulated to all the national energy regulators in its member countries, posing questions on the different ways that each country provides support for renewable energy.

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. The support duration of those support systems can be shorter than the lifetime of a RES installation. Therefore, after an installation reaches the end of its support time there are various options on how to proceed.

4 What is the impact on energy consumers?

There are various implications for energy consumers when installations reach the end of their support time. The further apart the duration of the support time and the actual lifetime of the RES plant is, the more sense it makes that those plants are not directly decommissioned or deconstructed after the end of the support time since the initial investment and operational cost should be recuperated during that phase. In financial terms, considering that energy consumers bear the cost of any given support system, it would make sense for a plant to maintain electricity production without support instead of being shut down and substituted by a new and newly supported plant. On the other hand, electricity markets have to reflect the needs of those installations.