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Renewable energy projects - permit-granting processes & power purchase agreements

Fields marked with * are mandatory.

Introduction

BACKGROUND FOR THIS CONSULTATION

An overhaul of the energy system, which accounts for more than 75% of the EU's greenhouse gas emissions and is still dominated by fossil fuels, will be needed to achieve the ambition of the European Green Deal. (<https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1576150542719&uri=COM%3A2019%3A640%3AFIN>) In particular, such overhaul will be needed to reach the EU's increased climate target for 2030 and the objective of climate-neutrality by 2050, while tackling biodiversity loss, pollution and resources depletion. An integrated energy system largely based on renewable energy plays a central role in the successful implementation of this EU flagship initiative.

With the proposal for a revision of the Renewables Directive (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52021PC0557>), the Commission sets out its aim of doubling the share of renewables in the energy mix compared to 2020, so as to reach at least 40% in 2030. The current pace of project deployment will need to accelerate significantly to meet the needed capacity increase on time.

However, permit-related and other administrative barriers constitute a major bottleneck for the deployment of renewable energy due to regulatory complexity, uncertainty and lengthy procedures, which discourage investors, delay projects and make them more expensive. Barriers also hamper the development of renewable Power Purchase Agreements (PPAs), which should become a major driver for increased market-based renewables deployment in the coming years.

What is the purpose of the guidance?

The 2018 Renewable Energy Directive (RED) (<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018L2001&from=EN>), with a transposition deadline of 30 June 2021, already introduced new requirements on permit application and granting procedures for all renewable projects, and required the Member States to identify and remove unjustified barriers to long-term renewable PPAs. However, the transposition and implementation of the relevant articles may present a challenge for the relevant authorities. Furthermore, industry stakeholders have identified additional permit-related barriers outside the scope of the RED and have requested clarification of the regulatory provisions concerning administrative procedures relating to project preparation and sharing of best practice, which could guide the permitting authorities in applying the procedures.

While the majority of renewables deployed are still driven by publicly-funded support schemes, the number of renewable PPAs with corporates is increasing significantly and should become a major driver for more market-

based renewables deployment in the coming years. A more complex set of long-term contracting options will be used by renewable projects, based on public support, on PPAs taking a variety of forms, or on a combination of both. Although Member States were required to report and remove any barriers to these renewable PPAs in their national energy and climate plans, only eight Member States have done so.

The planned guidance will highlight the most pervasive permit-related and administrative barriers to renewable energy projects as well as general challenges in the transposition of the relevant articles of the Renewable Energy Directive, and showcase corresponding good practice examples. It will also highlight the remaining bottlenecks preventing PPAs from achieving their full potential to deliver additional renewables generation capacity; and to provide good-practice examples/solutions in this regard.

What is the purpose of this consultation?

This questionnaire aims to collect views on permitting and Power Purchase Agreements from renewable energy producing companies, energy communities, and branch organizations, as well as public authorities, citizens and companies (including SMEs), as well as other relevant energy stakeholders. The questionnaire is divided into the following three sections:

- Accelerating permit procedures for renewable energy projects – questions to public authorities
- Accelerating permit procedures for renewable energy projects – questions to project promoters and associations
- Facilitating Power Purchase Agreements

You may choose to respond to either of these sections, or to all.

How can I participate?

You can complete this questionnaire on the Commission website up to 12 April 2022. Please use the buttons at the bottom of each part of the questionnaire (on permits and on PPAs) to upload feedback in other document formats.

A synopsis report of this public consultation and a summary of all consultation activity results will be published on this page at the end of the consultation period.

RESPONDING TO THIS CONSULTATION AND FOLLOW-UP

In line with 'better regulation' principles, the Commission is launching this public consultation designed to gather stakeholder views on good practices designed to accelerate permit-related procedures for renewable energy projects and to facilitate Power Purchase Agreements.

This public consultation is part of a planned larger stakeholder consultation which will feed into the Commission's work on the guidance. Views are welcome from all stakeholders.

Please note: To ensure a fair and transparent consultation process only responses received through our online questionnaire will be taken into account and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact ENER-C1-SECRETARIAT-1@ec.europa.eu.

About you

*Language of my contribution

English

*I am giving my contribution as

Company/business organisation

*First name

BP

*Surname

Brussels office

*Email (this won't be published)

marie-louise.risoud@bp.com

*Organisation name

255 character(s) maximum

bp plc

*Organisation size

Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register

(<http://ec.europa.eu/transparencyregister/public/homePage.do?redir=false&locale=en>). It's a voluntary database for organisations seeking to influence EU decision-making.

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*Country of origin

Please add your country of origin, or that of your organisation.

United Kingdom

The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. **For the purpose of transparency, the type of respondent (for example, 'business association', 'consumer association', 'EU citizen') country of origin, organisation name and size, and its transparency register**

number, are always published. Your e-mail address will never be published. Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected

***Contribution publication privacy settings**

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

☐ **Anonymous**

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

☐ **Public**

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

***Which renewable energy technology do you work with/represent? (multiple choice)**

- ☒ Wind onshore
- ☒ Wind offshore
- ☒ Ground-mounted PV
- ☐ PV rooftop
- ☐ Ocean energy
- ☒ Biomass
- ☐ Hydropower
- ☒ Geothermal
- ☐ Ambient heat
- ☐ Other

***In which markets are you active (for companies/legal persons)/where are you from (for physical persons)?**

- ☒ Austria
- ☒ Belgium
- ☒ Bulgaria
- ☐ Croatia
- ☒ Cyprus
- ☒ Czechia
- ☒ Denmark
- ☒ Estonia
- ☒ Finland
- ☒ France
- ☒ Germany
- ☒ Greece
- ☒ Hungary
- ☐ Ireland
- ☒ Italy
- ☒ Latvia

- ☒ Lithuania
- ☒ Luxembourg
- ☐ Malta
- ☒ Netherlands
- ☒ Poland
- ☒ Portugal
- ☒ Romania
- ☐ Slovakia
- ☒ Slovenia
- ☒ Spain
- ☐ Sweden
- ☒ Countries outside of the EU

*Please specify (countries outside of the EU)

300 character(s) maximum

Azerbaijan, Georgia, Serbia, Switzerland, Turkey, UK

*Do you represent:

- ☐ A renewable energy community within the meaning of the Renewable Energy Directive (<https://eur-lex.europa.eu/eli/dir/2018/2001/oj>) (Art. 2(16) and Art. 22)?
- ☐ A citizen energy community within the meaning of the Electricity Directive (<https://eur-lex.europa.eu/eli/dir/2019/944/oj>) (Art. 2 (11) and Art. 16)?
- ☐ Another type of energy community – please specify
- ☐ An individual or collective self-consumer of renewable energy
- ☒ None of these

☒ I agree with the personal data protection provisions (<https://ec.europa.eu/info/law/better-regulation/specific-privacy-statement>)

*Which part(s) of the questionnaire do you want to fill in?

- ☐ Permitting - questions to public authorities
- ☐ Permitting - questions to project promoters and associations
- ☒ Questions on Power Purchase Agreements

Facilitating Power Purchase Agreements

*23. Which of the below best describes your situation:

- ☐ I am involved in PPAs as a seller of electricity
- ☐ I am involved in PPAs as a purchaser / off-taker of electricity
- ☒ I am involved in PPAs as an intermediary or facilitator (e.g. utility, trader, network operator)
- ☐ I am involved in several of these activities
- ☐ I am not involved yet but I am planning to do
- ☐ I am not involved and I am not planning to be (anymore).

24. What is/was the main driver behind your willingness to engage in PPAs?

at most 3 choice(s)

- ☐ Hedging electricity price over the mid to long term
- ☐ Secure power over the mid to long term
- ☐ Demonstrating the purchase of renewable energy for disclosure purposes
- ☐ Need to find new forms of revenue stabilisation as public support decreases
- ☐ Other

25. What is the main barrier you have encountered when entering into PPAs?

at most 3 choice(s)

- ☒ Market prices volatility or market price uncertainty in general
- ☒ Lack of transparency and information on PPA prices
- ☐ Restrictions from publicly-funded support schemes preventing sellers from offering attractive PPAs terms
- ☐ Length of preparing ad hoc documentation and contracts and lack of template / standard agreements
- ☐ Administrative or regulatory barriers specific to PPAs
- ☐ Lack of possibility to combine the PPA with a Guarantee of Origin or other certificates
- ☐ Lack of possibility to book capacity (physical or financial) across bidding zones
- ☒ Variable generation profile of renewable energy sources
- ☐ Lack of facilitative platforms supporting the matching of sellers with interested off-takers; lack of aggregation options
- ☐ Difficulty finding off-take volumes beyond the largest corporates
- ☐ Low credit worthiness of off-takers
- ☐ Duration of the PPA typically not matching the tenor of the debt required for project financing
- ☐ Other

26. Have you encountered any **good practices** in relation to solving the barriers listed in question [21] above?

500 character(s) maximum

27. What **regulatory changes** (in current EU legislation or national-level legislation) , if any, would you consider most important to foster the deployment of corporate PPAs in Europe in the next few years?

500 character(s) maximum

-Decrease attractiveness of EU/govt subsidies for new projects of established renewable technologies to push them towards PPAs (corporates often aim to achieve 'additionality' in PPAs, not offtaking from subsidised projects)

-govt support often disconnected from market and unstable to promote investments

-Tax incentives for consumers signing PPAs

-Support for growing flexible generation units, hedging products, deployment of battery energy storage&other flexible generation, cross-border deals

28. Which form of **financial support** (including debt or guarantee instruments) would you consider most effective in fostering the deployment of corporate PPAs in Europe in the next few years?

500 character(s) maximum

29. Do you/your company/your organisation have any further comments on facilitating Power Purchase Agreements?

1,000 character(s) maximum

Please upload your file(s)

Contact

ENER-C1-SECRETARIAT-1@ec.europa.eu
