



# A Comparative Analysis of the EU and Russian Support Schemes for Renewable Energy Sources

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## Structure:

- › The support of electricity from renewable energy in the European Union
- › The support in Russia
- › Relevance of the EU experience for Russia

## Focus:

Effectiveness and private law aspects (exchange of certificates)

# I. THE SUPPORT IN THE EU

## The regulatory framework:

Directive 2001/77/EC of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market

Directive 2009/28/EC of 23 April 2009 on the promotion of the use of energy from renewable energy sources and repealing Directives 2001/77/EC and 2003/30/EC



## The instruments:

Mandatory targets and national action plans

Support schemes

Guarantees of origin

Guaranteed or priority access to the grid

Connection to the grid



## Support schemes:

- Investment or operating support
- Quantity- or price- based market instruments:
  - quota obligations (or green certificates); tendering
  - feed-in tariffs and premiums; fiscal incentives

## Effectiveness:

the ability to deliver an increase of the share of RES  
for wind, biogas and pv highest with feed-in

## Efficiency:

total amount of support received v the generation costs  
in 2/3 of the member states = sufficient

## Investor attractiveness:

the expected profits



European Commission highlights the risk of:

*“stop-and-go nature of a system”*

any instability in the system creates high  
investment risks

risks lead to higher costs for consumers.



- > Perceived instability ---> higher risk premiums ---> higher returns
- > Increased stability ---> lower returns needed ---> higher investment flow

Thus, necessity of long-term STABILITY and  
PREDICTABILITY of the support scheme to REDUCE  
THE COST OF CAPITAL





## Guarantees of origin:

A document which has the SOLE function of providing proof to a final consumer that a given share of energy was produced from renewable sources as required by Directive 2003/54/EC

Member states shall recognize GoO EXCLUSIVELY as proof of the share of RES in the energy mix

Do not confer a right to benefit from support schemes

## II. THE SUPPORT IN RUSSIA

### Certificates

for the electricity produced from RES  
supply-side

### Premium

the support on top of the wholesale market price

### Obligation for purchasers

the demand side

### III. RELEVANCE OF THE EU EXPERIENCE FOR RUSSIA

Mix of quantity- and price-based instrument:  
certificates that entitle to premium

Green certificates are not guarantees of origin:  
certificates entitle to support, GoO do not

Premiums are, in principle, not freely exchangeable:  
avoids a difficult legal debate



## Stability, transparency and predictability of support:

in the design (*ex ante*)

in the implementation (*ex post*)

reduce the cost of capital



# Thank you for your attention

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