



LUND UNIVERSITY

Renewable Energy Directive II: A case study in European Integration

Abstract

The purpose of this paper is to examine a tool used by the European Commission, that of the online consultation. This tool is used as a vehicle to gather information and knowledge from a broad group of stakeholders before the Commission formulates its policy. This tool has a two-fold benefit in that it underscores the EU's transparency in decision-making, and it takes the pulse of various groups of actors. The specific online consultation is the second Renewable Energy (REDII) chosen because of the breadth and depth of the topic and its interest across all stakeholder segments.

To accomplish this goal, survey questions were selected, and data analyzed to discover the transparency of the Commission's finding. The theoretical frameworks used in this process of analysis are Neofunctionalism and Liberal Intergovernmentalism. These theories provide a broad cross-section for the sake of comparison. Moreover, it addresses the issue of how democratic, i.e. open to everyone, the process truly is. The data is interesting as it sees looks for whether or not there is a relationship between stakeholders and regions with regards to preferences.

Key words: European Integration, Policy Formulation, Neofunctionalism, Liberal Intergovernmentalism, Online Consultation

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Abbreviations

Abbreviation	Name
ACER	Agency for the Cooperation of Energy Regulators
EC	European Commission
ECSC	European Coal and Steel Community
EEA	European Economic Area
EU	European Union
ENTSO-E	The European Network of Transmission System Operators for Electricity
IPM	Interactive Policy-Making Initiative
LI	Liberal Intergovernmentalism
MS	Member States
NF	Neofunctionalism
NZEB	Nearly-zero energy building
REDI	Renewable Energy Directive I
REDII	Renewable Energy Directive II
REFIT	Regulatory Fitness and Performance
TEU	Treaty of the European union
TFEU	Treaty on the Functioning of the European Union
VRE	Variable Renewable Energy

1 Introduction

The subject of the integration of the European Union (EU) and its predecessors is a puzzle that has long vexed political scientists. The notion that twenty-eight (28) EU Member States (MS) peacefully and willingly pooled their sovereignty to an extent in certain areas is a topic of great importance to understand. Many theorists and scholars have sought to find how and why integration works. The forward momentum of EU integration has stalled and sped up over the past six decades causing many theorists to seek to solve this puzzle. (Haas, 1958; Hooghe and Marks, 2001; Moravcsik, 1998; Wiener et al., 2019). Indeed, integration has occurred through the various forms of law of the EU such as treaties, directives, regulations and national convergence of MS legislation amongst themselves. There have been many attempts to explain the root causes of European integration, including if the causes behind it are exogenous or endogenous, or what initiates it.

As the EU has matured, MS have bought into the track record of collaboration, negotiation, and compromise with other European nations. Questions have emerged concerning the genesis of integrative forces, e.g. the MS, supranational institutions, business, civil society or various other stakeholders. Public consultations have become an important means of gaining stakeholder input for the Commission. Indeed, there is a delicate balance to satisfy the '*raison d'être*' of the EU, the democratic foundations of its MS and the interests of the various and disparate constituencies. They are sensitive to those who question if there is a democratic deficit. As such, the EU has recognized the need for input and information from all corners of the EU on a wide range of topics. It is an essential aspect of policy formation and is codified in treaty. The European Commission, as the originator of legislation, is mandated to have public consultations before legislation is proposed. (*TFEU* art. 2).

Even though this principle of public consultation is codified in treaty, there has been a shortage of empirical investigations into the online consultations as well as its role and influence in the agenda setting process. (Primova, 2011, p. 2). The Interactive Policy-Making Initiative (IPM) extended the reach of consultations to the internet. "IPM is one of the tools that will help the Commission, as a modern administration, respond more quickly and accurately to the demands of Citizens, consumers and business." (European Commission, 2002, p. 7) As such, this new tool in the integration toolkit can be analyzed by a number of theories of European integration. Two of the most notable and adaptive tools in which to analyze European integration is Liberal Intergovernmentalism (LI) and Neofunctionalism (NF).

The central area of this study's focus will be on the adaptive and efficient theories of LI and NF in the context of the online consultations. Indeed, as the EU has matured, the original premise of integrating individual MS has adapted. This thesis will utilize the most recent recently recast Renewable Energy Directive, REDII, as a case study to look at the power dynamics of the actors involved with new policies through the practice of online consultations.

The puzzle will thus be:

How should we theoretically understand public online consultations and what are the roles of organized interests in such consultations?

1.1 Online Consultation Background

The notion of consultations within the EU is enshrined in Article 11 of the Treaty of The European Union (TEU). Article 11 requires that EU “maintain an open, transparent and regular dialogue with representative associations and civil society.” (TEU) The institutionalization of the online consultation was introduced in 2002 through a whitepaper on European governance. (European Commission, 2001) This whitepaper established the minimum standards for consultation along with five principles to be utilized in governance, accountability, participation, openness, effectiveness and coherence. (Ibid p.8) The establishment of these minimum standards has thus led to the online consultation becoming a common tool to be utilized in the formation of public policy. (Klüver, 2013, p. 95)

The online consultation was created as part of an effort to be more inclusive, and therefore democratic. In a European Commission Communication of the same year entitled, “Towards a reinforced culture of consultation and dialogue - General principles and minimum standards for consultation of interested parties by the Commission,” (European Commission, 2002) the Commission makes clear its intent to be as inclusive and transparent as possible, stating an aim, “to promote mutual learning and exchange of good practices within the Commission.” (ibid, p. 4) It also undertakes to set down guiding principals for consultations that are uniquely designed to fit each policy area. Moreover, the Commission sees consultations as ensuring “that its proposals are technically viable, practically workable and based on a bottom-up approach.” (ibid, p.5)

The EU has had a challenge of legitimacy through the so-called democratic deficit. (Kratochvíl and Sychra, 2019, p. 171) The process of an online consultation is by its very nature “democratic” in that it is open to everyone and is transparent in its goals. Unlike the other democratic tool of voting, the concept of engaging citizens, corporations and organizations alike to express opinions on a given topic goes to the very nature the EU principals of governance, accountability, participation, openness, effectiveness and coherence. (European Commission, 2001, p. 8) These notions of participation and openness are key to the concept of the online consultation the EU is “still far away from inclusiveness and equal representation.” (Quittkat, 2011, p. 670)

1.2 Energy Policy Background

Energy policy has been a focus within the EU for some time. The name of the EU’s Predecessor, the European Coal and Steel Community (ECSC) is indicative of that. This focus has continued with its most recent evolution in the Fourth European Energy package, also known as the Clean Energy for All Europeans package. The Fourth European Energy package

is comprised of eight various legislative acts: The Energy Performance in Buildings Directive; Renewable Energy Directive; Energy Efficiency Directive; Governance Regulation; Electricity Directive; Electricity Regulation; Risk-Preparedness Regulation; and the Regulation for the Agency for the Cooperation of Energy Regulators (ACER). These eight legislative acts are in various stages of development and/or implementation. (European Commission, 2017). This thesis will be centered on the Renewable Energy sector. Specifically, it seeks to analyze the policy formation phase of the most recent recast of the Renewable Energy Directive (REDII) by utilizing the content of the online public consultation. Moreover, it also aims to analyze the influences of various stakeholders within the consultation outcomes.

The harmonization of the energy market in Europe has been ongoing for decades. Whilst there has been significant success in having a single European outlet the same voltage and equivalent standards, there is still a vast disparity amongst MS' adoption of renewable energy. There are many factors that can explain these disparities. A lack of sunlight, geographical formations not conducive to hydro or wind or entrenched powerful lobbies. This with the backdrop that the EU has set a goal of being a world leader in renewable energy.

The Renewable Energy Directive (REDI) was introduced in 2009 to promote renewable energy and promote further market integration amongst MS defining goals for each country to reach by 2020. Important among those goals was the conversion of energy usage to renewable sources account for 20% of their overall usage by that time (European Commission, 2009). REDII continues with REDI in promoting the use of renewable energy raising the bar to 32% renewables per country. The means to reach the goals set out in the directive was left to the individual MS.

With REDI expiring in 2020, the Commission sought consultation through its online platform in 2015. The current baseline targets of the EU are not anticipated to be met by 2030 requiring the need for RED II (European Commission, 2014, p. 2) This consultation looked for feedback on and understanding of what was needed for evolution of the directive for the 2020 – 2030 time range. As a result, they published an online survey, which approached the issues from the recent REDI survey as well as asking respondents for a general direction of the proposed legislation. The consultation provided an open forum for all players to provide guidance, input and information.

This thesis first offered a brief introduction of the policy area. In the next section theories of LI and NF will be introduced. Then, this thesis will operationalize the theories with the empirical evidence of the online consultation responses. The rationale behind selecting REDII for the analysis of online consultations is fourfold: First, it was chosen because of its significant complexity across many sectors; secondly, because of the far-reaching scope of change involved in bringing more renewable sources on line, eliminating large portions of fossil fuels and retrofitting to accommodate the changes; next because of the required degree of coordination across borders and across functional areas; and finally, because of the high degree interest of all of the actors impacted e.g. civil societies, local, regional, national governments,

trade organizations, NGO's and citizens. As such, renewables will be an example topic to overlay these theories.

2 Theoretical Framework

The aim of this theoretical framework is to provide a mechanism to analyze and better understand the role of online public consultations, specifically on renewable energy, in EU integration theory. As mentioned earlier, the case study that is the center of this effort is the second online consultation concerning renewable energy in the EU, REDII. The theories/approach selected are NF and LI as they offer a unique lens in which to understand how EU integrations function in the context of this consultation with a specific review of the roles of various stakeholders.

These two theories/approaches provide a dichotomous view in their approach of the source of integration and power. Primarily, NF sees integration as originating from supranational and/or regional entities, whereas LI, views integration as originating from the nation state. (Hooghe and Marks, 2009, p. 4) While these theories have their own respective strengths and weaknesses in analyzing different types of integration, they each have their merits. Each of these perspectives examine activities from the creation of regional bodies to the progression of changes in regional policy.

Both of these theories/approaches have been rationalized and adapted to pressures and crises of the time. Even Ernst Haas, the founder of NF, saw the vulnerabilities and problems of his early writings later adjusting them multiple times. (Haas, 2004, 1975, 1958) Moravcsik, a founder of the field of LI, has posited that Europe is a constantly evolving region. (2005, p. 356) This section will begin with a discussion of NF and LI respectively, followed by an overview of the features that they share and differ upon.

2.1 Neofunctionalism

NF emerged in the late 1950's in the publication *The Uniting of Europe*. (Haas, 1958) Haas sought to explain the causes of the momentum of European integration after commitments were agreed to. (Moravcsik, 2005, p. 350) Haas posited the NF was not an actual theory *per se*, but instead an approach in which to analyze integration. NF is described as an eclectic combination of the pragmatic strategy Monnet utilized in running the ECSC with Mitrany's theory of functionalism. (Schmitter, 2005, p. 356) In the era of the nascent ECSC standard theories such as realism, constructivism, and idealism were not ideal tools in which to analyze the integration. Moravcsik lists three reasons on how NF was groundbreaking; "its dynamic, parsimonious and predictive, neofunctionalism is a comprehensive synthesis rather than a single theory." (Moravcsik, 2005, p. 353)

Neofunctionalists have a tendency to view the EU not as 'being' instead as 'becoming'. (Moravcsik, 2005, p. 350) Haas views integration as not the outcome of an exogenous circumstance – e.g. geopolitics, idealism, economics, or pragmatism – rather it is a result of "previous decisions to centralize regional governance." (Moravcsik, 2005, p. 351) As such, NF is quite adaptive and has been used as a framework in which to analyze the current puzzles

surrounding European integration in case studies such as the European Sovereign Debt Crisis. (Niemann et al., 2019, p. 54)

To operationalize the NF approach, it is important to have a standard definition of what integration is. For this thesis the definition of integration is taken from that of Lindberg who defines integration as:

“(1) The process whereby nations forgo the desire and ability to conduct foreign and domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decision-making process to new central organs: and (2) the process whereby political actors in several distinct settings are persuaded to shift their expectations and political activities to a new centre.” (Lindberg, 1963, p. 6)

Neofunctionalism is built upon five (5) key assumptions; (1) self-interested actors who are (mostly) rational; (2) regional institution’s ability to shift interests; (3) incrementalism in regional institution’s policy decisions; (4) rejection of the classic zero-sum realist paradigm; and (5) the interdependency of actors. (Niemann et al., 2019, p. 47,48)

The first assumption is that actors are self-interested and most of the time make rational decisions. With regards to this assumption, Haas concedes that NF is phenomenological. (Haas, 1970, p. 627) In this assumption, actors recognize the limitations of going at it alone through national policy and the elites at both the supranational and national level become further interdependent by attempting to cooperate. (Niemann et al., 2019, p. 47) This interdependence is delineated by the potential of actors to shift their respective preferences, actions and even loyalties to a regional and or supranational entity as well as the potential of new regional elites being formed. (Lindberg, 1971, p. 65,66) Expanding upon that theme Niemann asserts that NF is ‘unremittingly elitist.’ (2019, p. 46)

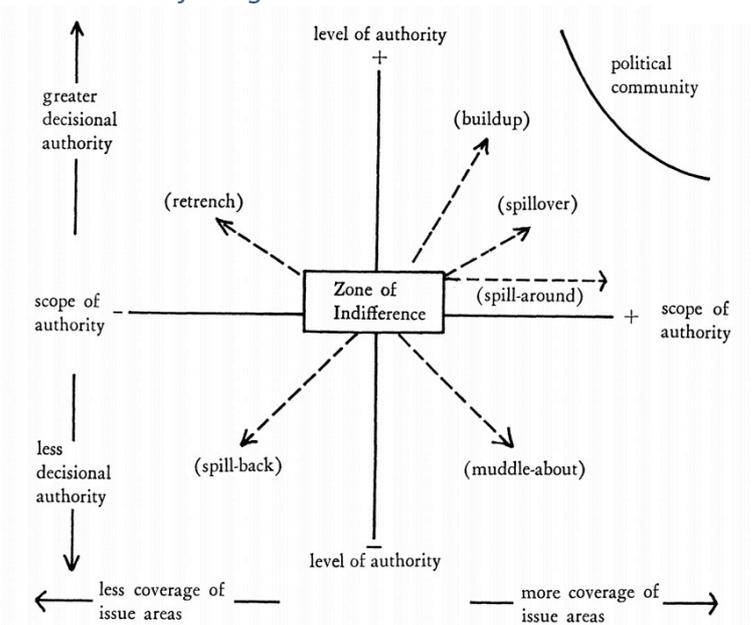
The second assumption is that regional institutions have the potential to develop, to a certain extent, autonomy in policy making. Bureaucrats at these aforementioned regional entity’s play a critical role in pushing for more integration by becoming agents of change and by convincing an ever increasing number of private and public elites in the shifting of the rational national interests. (Niemann et al., 2019, p. 47) Examples of public officials at regional institutions who have pushed for further integration are John Monnet, Sicco Mansholt, and Walter Hallstein. (Haas, 1970, p. 627)

The third assumption is that policies by regional entities occur at incremental speeds. (Niemann et al., 2019, p. 47) Haas posits that these changes occur at a slow speed as most politicians are frequently unable to engage in “long-range purposive behavior because they stumble from one set of decisions into the next as a result of not having been able to foresee many of the implications and consequences of the earlier decisions.” (1970, p. 627) These unintended consequences of decisions are called spillover. Spillover can take form in several different ways functional, political and cultivated. (Tranholm-Mikkelsen, 1991, p. 5,6)

The fourth assumption is the rejection of the classic zero-sum realist paradigm. Neofunctionalists assert that through cooperation those within the regional organization can instead have a positive-sum outcome through cooperation and compromise. (Niemann et al., 2019, p. 48) Haas counters realist theory in explaining integration and seeks to utilize elite pluralist theories. Haas posits that elites have the great influence and impact on decision making in each MS.

The fifth assumption is that the actors, whether they be national subnational regional or supranational, become increasingly interconnected. With that interconnectedness/integration solutions at the national level are insufficient to be solved. As such more decision making is often served by functional spillover to supranational agreements. Haas initially suggested that this integration had a component of automaticity and this integrative process could be predicted. (Haas, 1958, p. 311) This assertion Haas later took back after the *empty chair crisis* of the 1960's. Haas also initially didn't view public opinion as that important (as opposed to LI) but did recognize the importance of trade unions and interest groups.

2.1.1.1 Plot of integration



Source (Schmitter, 1970, p. 845)

Integration advances when pressure is exerted on governments by organized interests with the objective to further centralize policies and governance. To visualize the process of integration Schmitter's conceptualization of the EU integrative process featured in the table above is beneficial in understanding the approach of NF. Schmitter posits that items in the 'Zone of Indifference' lack politicization and as such have limited consequences amongst the stakeholders involved. The vertical axis is based upon the level polity that should have authority over the process. In a European context this is akin to the concept of subsidiarity which regards the level of authority whether it be at the EU level or MS level. The horizontal axis represents the coverage and scope of the policy. At the left-hand side is where less

coverage and scope of the policy are. Conversely, at the right-hand side is where a higher level of scope and coverage of the policy area.

Schmitter visualizes seven policy potentials for how it is to go through a process; *spillover*, *spill-around*, *encapsulate*, *buildup*, *muddle-about*, *retrench* and *spillback*. (1970, p. 846) Spillover occurs in the top right axis in which the level of authority and scope of the policy raises to a regional entity. Spill-around occurs when the scope is increased but there is not a change in the level of authority. Buildup occurs when the level of authority is raised but the scope does not change in other words to give more decision-making authority but not allow the entity the ability to spill over into new areas. (ibid, 846) Retrench raises the level of joint authority but the scope is decreased. (ibid, 846) Spillback is the inverse of spillover in which both the scope and level of authority is decreased. (ibid, 846) Encapsulate occurs within the zone of indifference in which the status quo is mostly maintained with few changes. (ibid, 846)

Spillover is a central component of NF. It regards unintended and or unwanted consequences also colloquially known as *spillover effects*. Put another way, it is not exogenous factors but instead endogenous – pre-occurring- impacts that further integration. *Functional spillover* occurs at instances in which societal, economic, and technocratic pressures push for further cooperation between adjacent sectors. (Moravcsik, 2005, p. 352) These pressures for integration/cooperation occur when stakeholders see the benefits of more harmonization between MS and thus push for expanded EU competencies. *Political spillover* takes place when officials at the national level cooperate and act as political entrepreneurs. (Moravcsik, 2005, pp. 352–353) The final category *cultivated spillover*, is similar to political spillover but it instead originates at the supranational level e.g. the European Commission. The concept of spillover was initially envisaged by Haas to be both automatic and inevitable. This assumption of inevitability was later withdrawn by Haas. (Pollack, 1994, p. 98)

As NF was one of the first theoretical approaches to understand European integration, it is also amongst the most criticized. (Moravcsik, 2005, pp. 350–351) Moravcsik puts forward some of the sharpest criticisms of NF theory by asserting it is a not a theory but instead a sequence of claims that are unrelated. (Moravcsik, 2005, p. 350) Moravcsik posits that neofunctionalism had a strong weakness in its ambitious claims due to the theoretical framework of the causal process not being fully understood. (Moravcsik, 2005, p. 354) Haas “does not seek to explain a particular aspect or to analyze a particular cause of integration, but to provide a single framework for analyzing integration as a whole.” (Moravcsik, 2005, p. 353)

Thirdly, neofunctionalism in the post Lisbon era causes us to ask less productive questions than in the early days of European integration. (Moravcsik, 2005, p. 351) A criticism of neofunctionalism is that European integration did not continuously progress as Haas anticipated. Rather, integration occurred in spurts during times of rapid integration and at others during which it virtually halted. (Moravcsik, 2005, p. 354) Moravcsik argued, “Neofunctionalism sought to construct a comprehensive synthesis without a reliable set of theoretical elements, to analyze dynamic change without a reliable account of static decision-making, to analyze endogenous causes without a reliable account of exogenous causes and,

above all, to predict without a reliable explanation.” (Moravcsik, 2005, p. 355) Moravcsik says that the elements of neofunctionalism is weakly bound together by conjecture. (Moravcsik, 2005, p. 355)

2.2 Liberal Intergovernmentalism

The second theory of integration to be used in this thesis is that of LI which is attributed to Andrew Moravcsik. (Moravcsik, 1998). LI approaches EU integration from a completely different angle in which the Nation State is dominant player as opposed to the regional polity. This endogenous perspective views activities at the EU level done through negotiation and treaties. A central theme is that states are the key actors and they use negotiation between other states instead of through a central entity making and enforcing political decisions (Moravcsik and Schimmelfennig, 2019, p. 65) Their premise is that the state is “purposive and at least boundedly rational.” (ibid, p. 65) In other words, the state is outsourcing certain policy areas to a supranational polity when it is efficient and practical to do so all while the state maintains its sovereignty.

Moravcsik argues that integration is a result of decisions made by national leaders who are mostly rational. These decisions are made factoring in relative power from asymmetries, local elites, and domestic constituents. The choices made by the politicians are made based upon the domestic constraints and opportunities. (Moravcsik, 1998, p. 18) In other words, LI is based upon “economic interests, relative power, and credible commitments.” (Moravcsik, 1998, p. 312)

LI sees that each country has its own unique characteristics, which drive their preferences in the realm of decision making. The opinions of important economic players are vital input in the setting of national preferences as national governments often accommodate their demands. (Klüver, 2013, p. 39) The electorate plays a critical role also in the formation of national preferences. As such, their legitimacy is based on the ability to make decision in accordance with their electorate. States are considered as a sole unit in terms of negotiation at the EU. So even when things change internally and they are under internal political pressure, they still are unitary.

According to LI, governments view the EU as a policy coordinating body and will cede authority on an issue to it only through intragovernmental negotiations and bargaining. MS are “masters of the treaty”. (Moravcsik and Schimmelfennig, 2019, p. 65) They acknowledge the wide range of actors but remain the unitary decision-maker. Moravcsik builds upon Keohane and Nye’s development of complex interdependence. (Keohane and Nye, 1977) LI is not realist per se as security is not the main motivation setting state preferences. (Moravcsik and Schimmelfennig, 2019, p. 65)

2.2.1.1 LI Process



Integration is defined by Moravcsik as containing a three-stage framework for cooperation: the first is where preferences are defined; then bargaining based on relative power; and finally, the creation and or adjustment of institutions as seen in the figure above (Moravcsik and Schimmelfennig, 2019, p. 65)

Stage one is where national preferences are formed. The preferences are formed along ‘issue-specific’ themes. Interdependency, domestic factors and economic interests are key. (Moravcsik and Schimmelfennig, 2019, p. 66) The preferences thus vary depending on the issue in which there are differences in preferences of the level of subsidiarity for a policy area. Moravcsik posits that states push for integration to “secure commercial advantages for producer groups, subject to regulatory and budgetary constraints and ‘the macro-economic preferences of ruling governmental coalitions’.” (Moravcsik, 1998, p. 38)

The second stage is about the state’s process of bargaining to achieve their goals. Moravcsik breaks up bargaining into two different types ‘intergovernmental’ and ‘supranational.’ (Moravcsik, 1998, p. 52) Supranational bargaining theory builds upon NF scholarship by placing an emphasis on policy entrepreneurs at the supranational level. (ibid, p. 52) Intergovernmental Bargaining Theory is based not on the institutions, but issue specific policies based upon relative bargaining power. (ibid, p. 60) Asymmetrical interdependence is a key theme within the second stage. (ibid, p. 69)

Intergovernmental bargaining theory is based upon three key assumptions. The first assumption is that changes to treaties occur without coercion and also with unanimous consent. (ibid, p. 61) The second assumption is that transaction costs of a policy area are lower relative to the advantages by cooperating. In other words, a cost-benefit analysis is done on the policy area. (ibid, p. 61) Conversely, if the stakeholders do not view a benefit of cooperation relative to the cost they will likely not go into agreement. The third assumption is that benefits of cooperation are distributed according to ‘relative bargaining power’ based upon policy interdependence and preference. (ibid, p. 61) As such the relative bargaining power of the state has an inverse relationship with its preferred outcome based upon its ‘preference intensity’. (ibid, p. 62)

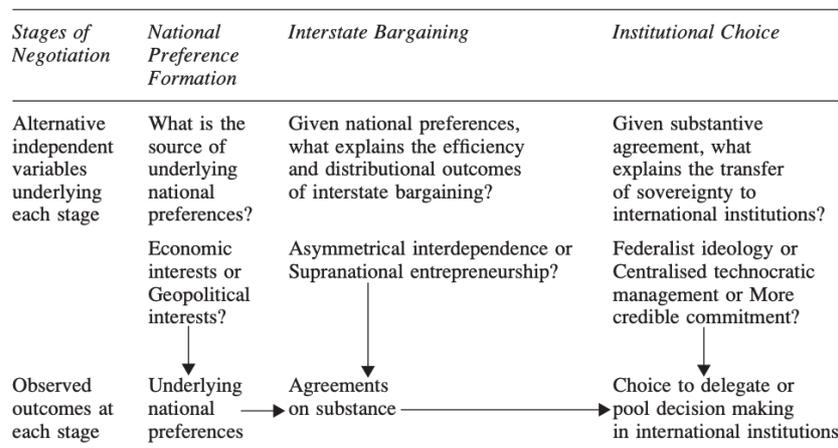
LI believes that bargaining is the basis for international cooperation. The outcome depends on each actor’s relative bargaining power. When bargaining fails, LI sees that it is because of conflicts over fundamental goals or issues about distribution. Moravcsik employs the use of the Nash bargaining solution for both intergovernmental and supranational bargaining. (ibid, p. 62) The Nash solution posits that “absent coercive threats, governments would split the

utility gains relative to their respective alternatives to agreement. A rational government will reject any agreement that leaves it worse off than the best alternative...” (ibid, p. 62)

Stage three regards the creation of regional institutions after the bargaining and agreement is met. This stage pursues how the international institutions are created and designed. (Moravcsik and Schimmelfennig, 2019, p. 69) At this stage LI relies upon is Keohane’s neoliberal institutionalism. (Moravcsik and Schimmelfennig, 2019, p. 69) In neoliberal institutionalism the supranational institution helps the states in reducing the transaction costs through the use of cooperation. (Moravcsik and Schimmelfennig, 2019, p. 69) By reducing the transaction costs of policy governance, the states benefit through efficiencies. In the regional institution’s norms are established as well as reciprocity which helps with compliance of the agreed upon framework of international institutions.

Moravcsik argues that in most policy areas Brussels has relatively weak institutional powers as the rule ‘implementation, administration and enforcement’ occurs at the national level. (Moravcsik and Schimmelfennig, 2019, p. 70) LI places a strong emphasis on that of the MS in which often is the one who implements the of the EU regulations. (Majone, 1998, p. 210) Milward goes a step further and emphasizes that the EU is a ‘buttress’ in which to protect the nation state against globalization by allowing the members the scale to operate globally. (1998, p. 2)

2.2.1.2 Liberal Intergovernmentalism Process



Source (Moravcsik, 1998, p. 24)

A visualization of LI is shown in the figure above in it the three stages of negotiation. Each of these steps can be seen as an input to the process of European integration. A key input to the LI process is that of the domestic national preferences and how that is a key driver or barrier to the integrative process. LI is a great theoretical framework in which to see look at ‘grand bargains’ in integration, but it might not make sense to use it to explain institutionalized processes and ‘everyday policymaking.’ (Naurin, 2018, p. 1527)

2.3 Differentiation of LI and NF

LI is also ontologically different to NF in its traditional nation state-centric views of power. However, there are several features that both NF and LI share, such as the view that regional institutions are created through interdependence. (Hooghe and Marks, 2019, p. 116) Both recognize the significance of pluralist interest groups as well. (Moravcsik, 2005, p. 355) Both share the view that integration is an “efficiency improving process in which economic actors seek gains” (Hooghe and Marks, 2019, p. 116)

Epistemologically, NF and LI have several differences, yet they also share certain features. Both LI and NF recognize the power of the elite actors. And, ultimately both recognize the fragility of each entity and the need to consensus building as a mechanism for future stability. Both theories are comprised of rational actors and both respect the sovereignty of the MS. The theories are based primarily on differing viewpoints of the same topic. In NF, exogenous factors can play a role in the integration process. Its treaties are negotiated by the MS and administered by the EU. To do this, the bureaucrats within the organization are constantly evolving policies, governance and accountabilities.

Conversely, LI sees a more endogenous approach where the nation holds power and authority and is willing to negotiate in situations where there is an obvious advantage to being part of a larger group (the EU). It does not relinquish its authority except in situations where they have negotiated to get a better deal within the EU than they could achieve alone. Their willingness to transfer authority to the EU is on a case-by-case basis when issues are such that there is an advantage to relegate that area to the supranational.

These theoretical frameworks provide a strong foundation in which to conduct an analysis of the integration of the European Union and specifically on the online consultation process. Each theory has its own unique strengths for different policy areas as well as forms of integration. The next section will begin with a methodology background followed by the operationalization of the Theoretical Framework and Methodology in the Analysis.

3 Methodology

This chapter of the thesis is focused on how the analysis will be structured and what methodological tools this text will utilize. The published responses from this survey were selected to delve into the public consultation period as they are the formal inputs in policy formation stage of the policy process. The REDII survey was divided into six parts. The first was to classify the respondent type and ascertain if they wanted their comments to remain confidential. It also categorized which EU MS or third country the respondent was active in. The second area was a general inquiry concerning the current energy policies and practices, support schemes of the EU. The third area concerned empowering consumers. Part four focused on the heating and cooling sector which remains the largest source of the consumption of energy. The fifth area covered adapting the market design and removing barriers. Part six concerned the transport sector. Each segment had multiple questions, matrices and areas for comment.

The survey also indicated that there were previous consultations with stakeholders about energy policy. The purpose of this thesis is to analyze the REDII Online Consultation and inductively look at the survey variables and see if there is a relationship between the different type of stakeholders and their policy preferences. A second objective in this thesis is to see if NF or LI are suitable lenses by which to see the role of the Commission in the architecture of the survey and the public analysis they issued.

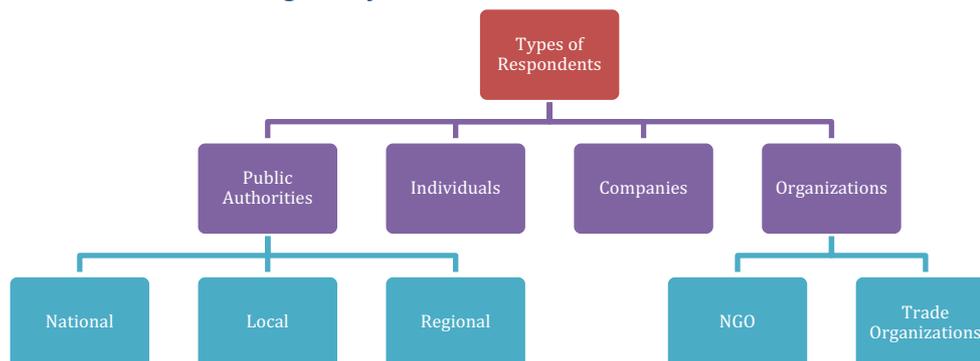
3.1 Methodological Process

The data of the survey was retrieved from the European Commission website and after the data was downloaded the files were sorted through with duplicates of files were removed. Of the 614 responses, only 439 responses were retrievable. Four of the retrievable responses were duplicates and were removed. Of the total respondents, 113 opted to have their information remain anonymous. In theory, that leads to 62 respondents who choose to have their submission confidential or the submitted documents not in the format of the survey. Furthermore, this paper does not opine on the reasons the confidential respondents chose that route.

Since almost 71% of the responses were open to the public, this thesis makes the assumption that a sufficient data set existed to be able to identify trends and issues for the purposes of this study. Those responses were then coded using the software MaxQDA to analyze the data. After the duplicates were removed, all of the documents were coded based upon their respective demographic category expanded upon below.

I first coded the documents to see what type of stakeholder that was responding to this survey and the country of origin. Respondents fell into the following categories: Individuals, Organizations, Public Authorities and Companies. The survey allows the stakeholders to self-categorize themselves in the categories of individual, company, organization, public authority and other. After carefully reviewing each submission, duplications were culled, and verification of categories was checked in the process of coding replies for this thesis.

3.1.1.1 Stakeholder Categories for the Online Consultation



The respondents of this survey fall into four categories. The first category is Government which is comprised of Local, Regional and National Governments. The national government category includes National Regulators. The second category is that of Individuals. The third category is that of Companies which are for profit entities and includes state owned for-profit companies. The fourth category is Organizations which is comprised of Non-Governmental Organizations (NGO) and Trade Organizations. With regards to the term stakeholder. In this thesis it will be referred to as those who responded to the survey. While all those effected by this legislation are stakeholders in the context of this thesis for clarity it will be referred to as the respondents.

There were certain circumstances that called for a decision about how to code the data. When coding for this I have combined ‘no opinion’ and ‘blank’ when the respondent leaves the question blank. This decision was made as not responding to a question is in and of itself a statement of not having an opinion on the matter. The survey also asked for the country of origin of the survey respondent. A mistake made by the Commission in their online survey formulation was by initially allowing respondents select multiple countries for some respondents and for others only allowing them to select one country. These were manually corrected by verifying each stakeholder’s registered address before coding for a better glimpse into country of origin and countries in which various entities were operating in. Only one individual listed themselves in two countries but from looking at their contact information it was evident what their country of residence was. Stakeholders also made mistakes in how to self-categorize. A striking example was that Total S.A. self-categorized as an organization instead of a company. Independent variable are the stakeholders and their demographic e.g. country of origin and category. The dependent variables are the survey questions.

When selecting the questions to be analyzed in the survey, three key criteria needed to be met in order to be included. The first criteria was that the questions needed to be justified by looking to see if the principle of subsidiarity was a component. This question regards whether or not there was a transfer of responsibility from the MS level to note that of the EU. An example of this can be seen in the question regarding if support schemes should occur at a national or EU level. The second criteria centered upon the level of politicization. The third criteria was its

level of similarity to the other questions in the survey. This was chosen to see if there was a variation in the stakeholders responses by policy area.

For the purposes of this study, there are two main cleavages which deserve further research. This thesis seeks to look to see if there is relationship amongst Northern States, between Northern and Southern States as well as by stakeholder category. This will first begin by comparing Sweden with that of its Nordic neighbors Denmark, Finland and Norway. While Norway is not a member of the EU, it is subject to EU directives as they are members of the European Economic Area. (Patronen et al., 2017, p. 13) When comparing Sweden with its neighbors, the Nordics will not include Sweden. This is because including Sweden in the Nordics for this analysis will not be allow it to be adequately compared. Sweden and the Nordic countries were selected as they are known for their sustainability and high uptake in renewables. Spain was selected due to its geographical location in the South of Europe.

The second form of cleavage was that of stakeholder type. This thesis looks to see if there are any correlations between the type of respondent and their preferences. Responses from Denmark, Finland, Norway, Spain, and Sweden for the category Individual, Company, and Organization will be examined for this cleavage. For the category Public Authority, the responses will come from the entirety of the EU/European Economic Area. The reasons for this variation are twofold. First, there were only five responses in the public authority category from the countries Finland, Norway, and Sweden. Denmark and Spain did not have any public authorities respond. Second, due to the limited number of government responses publicly it is noteworthy to have responses from the all of the Public Authorities responses. This is of relevance as the Public Authorities are responsible for carrying out the implementation of REDII. Responses to the questionnaire have been coded with an interest to see what kind of trends occur as well as what type of relationships may exist between stakeholder types as well as regional differences.

The transport section of the REDII online survey has not been included for brevity. It was also not included either due to the lack of responses, its technical nature and the fact that topic was covered in other directives. This thesis makes no assumption that this is the only input in the policy process. Obviously, there is more that goes on behind the scenes of published but since this is the public face of the process, and relatively new, it is important to look at it. There is also bit of a weakness in the categorization of Organizations as Trade Organizations and NGO's often have conflicting views due to the composition of their membership. However, this thesis sought to maintain the Commission's categorical criteria.

4 Analysis

This chapter will begin with an overview of the empirical findings of the online consultation. Following the empirical findings this thesis will operationalize the theories mentioned in the Theoretical Framework NF and LI the with the following are two research questions.

1. Are there regional and/or stakeholder variations in policy preferences?
2. Are NF and LI an adequate lens by which to understand online consultations in REDII?

4.1 Public Consultation Empirical Findings

This section will utilize the summary provided by the Commission as well as the publicly available responses from the stakeholders who chose to allow their comments to be made available. As mentioned in the Methodology section, the Commission has access to a larger number of responses both the unreadable anonymous files as well as the confidential responses that were not published. It is important to that when citing the Commission Summary, it will include data that was not published publicly.

This section will go over the empirical evidence based upon the coding of the survey responses and will seek to reply to the question:

RQ1 “Are there regional and/or stakeholder variations in policy preferences?”

My hypothesis (H1) borrows from LI and NF in that there will be correlations based upon specific issues in which some policy questions regarding REDII will have broad agreement, whereas other questions in the survey will have broad disagreement or no correlation at all.

As a prelude to the questions, the Commission sets out the context, issues, goals and agenda of the REDII online consultation. In the general approach the Commission explains the change in direction in policy regarding the shift from national MS renewable energy targets to EU wide renewable energy targets. (European Commission, 2014, p. 6) The Commission states five (5) clear goals for the general approach: First the construction of a market-based framework so that there can be cost effective investment; second, the promotion of regional cooperation and projects; third ensuring consumer protections; fourth, supporting the use of new technologies in energy; and, fifth working to ensure that the targets are met. (European Commission, 2015, p. 4)

The table below shows that Belgium had the most public responses at total of 112, followed by Germany with a total of 50. Belgium can be explained as the country with the most respondents with it being the seat of the European Commission. Among the categories of respondents, 100 of the 112 responses came from the stakeholder category of Organizations. Several of the organizations submitting responses to the online consultation were European wide trade organizations. It is notable that in Luxembourg and Lithuania submitted no public

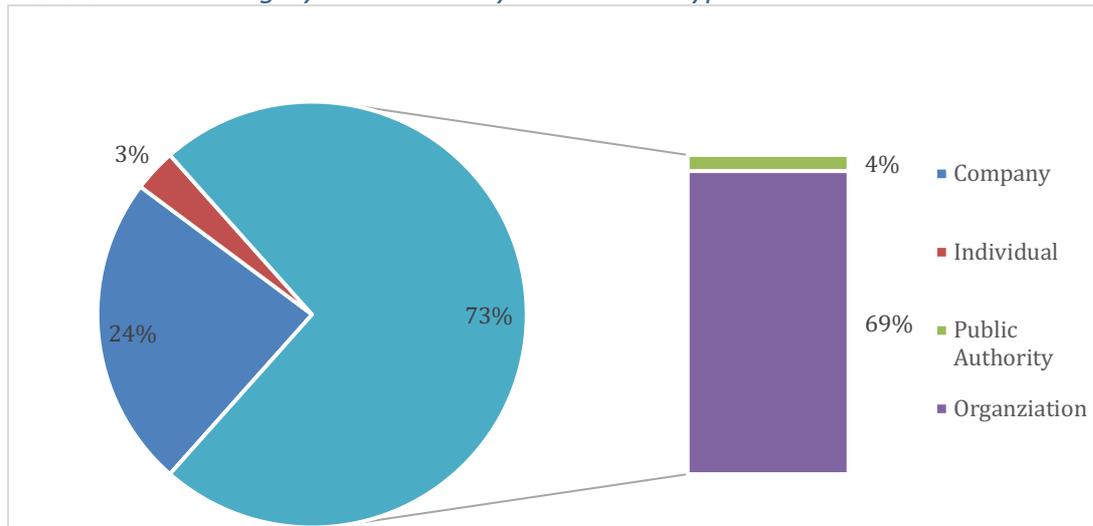
respondents whatsoever. It is also notable that there were no public responses from individuals in over 20 MS including large countries such as Germany and the United Kingdom.

4.1.1.1 Total REDII Respondents

	Companies	Individuals	Public Authority	Organizations	Country
Austria	3	1	2	11	17
Belgium	0	1	1	110	112
Bulgaria	0	0	0	2	2
Croatia	1	0	0	1	2
Cyprus	0	0	0	1	1
Czechia	1	0	0	3	4
Denmark	3	1	0	5	9
Estonia	0	0	1	0	1
Finland	4	0	1	8	13
France	12	0	0	20	32
Germany	16	0	1	33	50
Greece	4	0	0	0	4
Hungary	3	0	1	2	6
Ireland	2	2	0	5	9
Italy	6	1	2	7	16
Latvia	0	0	1	0	1
Lithuania	0	0	0	0	0
Luxembourg	0	0	0	0	0
Malta	0	0	0	1	1
Netherlands	4	0	2	11	17
Norway	3	1	1	7	12
Other	6	0	0	5	11
Poland	2	0	0	6	8
Portugal	1	0	0	7	8
Romania	1	0	0	3	4
Slovakia	2	0	0	4	6
Slovenia	1	0	0	1	2
Spain	7	6	0	11	24
Sweden	13	1	3	15	32
United Kingdom	8	0	0	22	30
Total by Category	103	14	16	301	434

This figure is based upon all public responses after removing for duplicates

4.1.1.2 REDII Category Breakdown by Stakeholder type*



*This figure is based upon all public responses after removing for duplicates.

As seen in the figure above when breaking down the overall responses by categories, 69% of the responses came from organizations, companies' responses were 24%, public authorities made up four percent (4%) of the total response made up by on three percent (3%) of the total responses came from individuals. The dramatically low number for the amount of responses from respondents could be explained by them choosing to submit their responses anonymously.

The online consultation questionnaire was launched for 12 weeks in late 2015 for a recast of the expiring first renewable energy directive (REDI). The purpose for this directive was to ensure that the EU could meet its 2030 energy targets. This recast of REDI was needed as the current legislation was sufficient to meet the new 27% share of renewable energy sources by 2030. (European Commission, 2014, p. 2) The questionnaire is broken up into 6 parts; the background of the respondent, general approach, consumer protections, decarbonizing heating and cooling, adapting the market design and removing barriers, and enhancing the renewables use in the transport sector. In the following there are 30 broad based multiple choice and open-ended questions. (European Commission, 2015)

The survey is an important component in grasping what the general opinion is on direction the Commission should take in the formation of REDII. A common theme in the questionnaire is how the EU intends to have predictable, transparent and non-market distortive support scheme with clear price signals.

The survey points out how some MS have had more success with their respective support schemes in the context of the consumer cost efficiency in promoting renewable energy. This statement could be in the light of the challenges that Germany has faced in their renewable energy support scheme. From 2007 to 2018 an average 5,000 kilowatt hour household's electricity energy prices have risen 46 percent. (Eckert, 2019) Germany had a renewable energy surcharge on the price of energy at the amount of 23 percent in 2018 (Appunn, 2018). As a result Germany had the highest household and industry cost in 2018 (Amelang, 2019) While the Erneuerbare Energien Gesetz Umlage (Renewable Energy Surcharge) is a significant

component of the cost of electricity it is worth noting that prices have also risen due to the phaseout of coal and nuclear energy. (ibid)

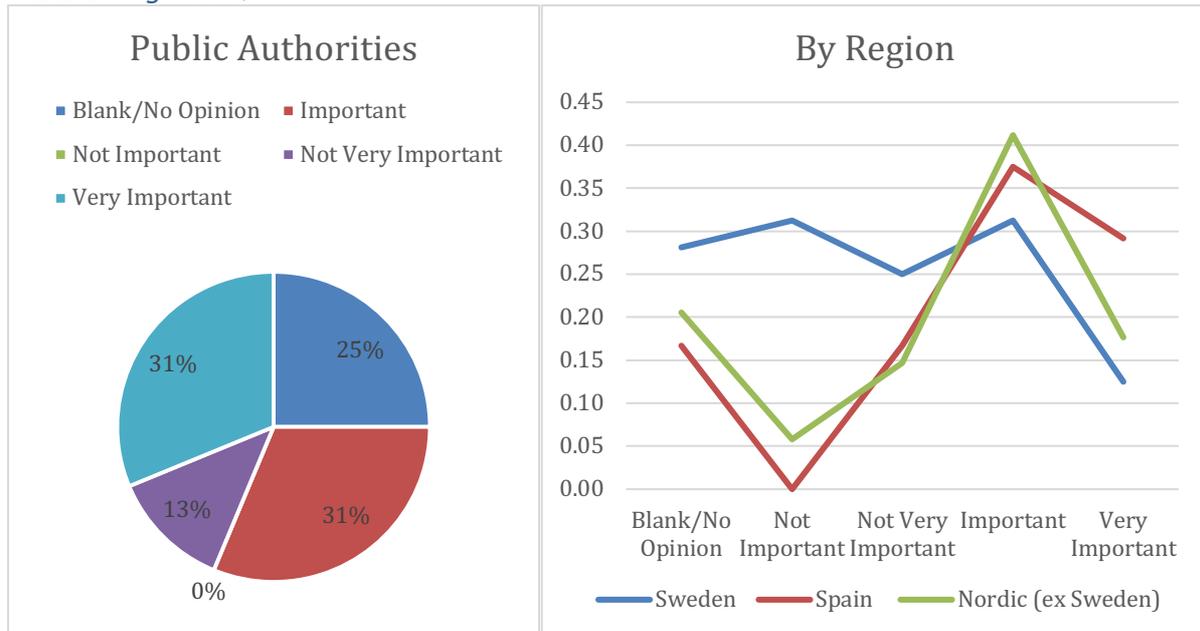
In the survey the Commission notes the challenges in the balancing the promotion of nascent technologies with the challenge of not overcompensating and distorting the market. (European Commission, 2015, p. 4) It discusses the needs to increase regional cooperation and approaches to energy policy. This further emphasizes a key goal of the Commission to prevent fragmentation in the energy market as well as ensure that the energy transition can occur in the most cost-effective way.

4.1.2 General Survey Framework

The survey begins by asking the respondent about their perspective on the relative success to date of the Renewable Energy Directive in meeting its goals and objectives. Like many of the survey questions, the following responses are the options from which to choose. Very Successful, Successful, Not Very Successful, Not Successful, and no opinion. (European Commission, 2015) As leaving a question blank is in and of itself a respondent leaving no opinion, those were combined in the tabulation. Of all respondents to the Commission analysis asserts that “73% of respondents consider that the current directive has been successful in helping to achieve the EU energy and climate objectives.” (European Commission, 2016, p. 2)

The second question, “How should stability, transparency and predictability for investors be ensured with a view to achieving the at least 27% renewable energy target at EU level?” with five subsections to drill down on areas of particular interest. (European Commission, 2015, p. 5) This question is based upon which elements that support investment should be emphasized to promote “stability, transparency, and predictability”. The charts below question the relevance of incorporating best practices of REDI. The majority of public authorities saw this as an important or very important criteria while one-third did not see much value there. Sweden varied from its Nordic neighbors and Spain regarding seeing the importance of the best practices to be included Public authorities are mostly in favor of best practices with only 12.5% of those who responded selecting not important, 25% not expressing an opinion and 31.25 choosing Important and very important. Organizations and Companies were closely related with individuals being only marginally different.

4.1.2.1 Figures Q2.2



4.1.2.2 Table Q

2.2	Company	Organization	Individual
Blank/No Opinion	16.67	23.91	22.22
Not Important	3.33	4.35	0.00
Not Very Important	26.67	13.04	33.33
Important	36.67	41.30	22.22
Very Important	16.67	17.39	22.22

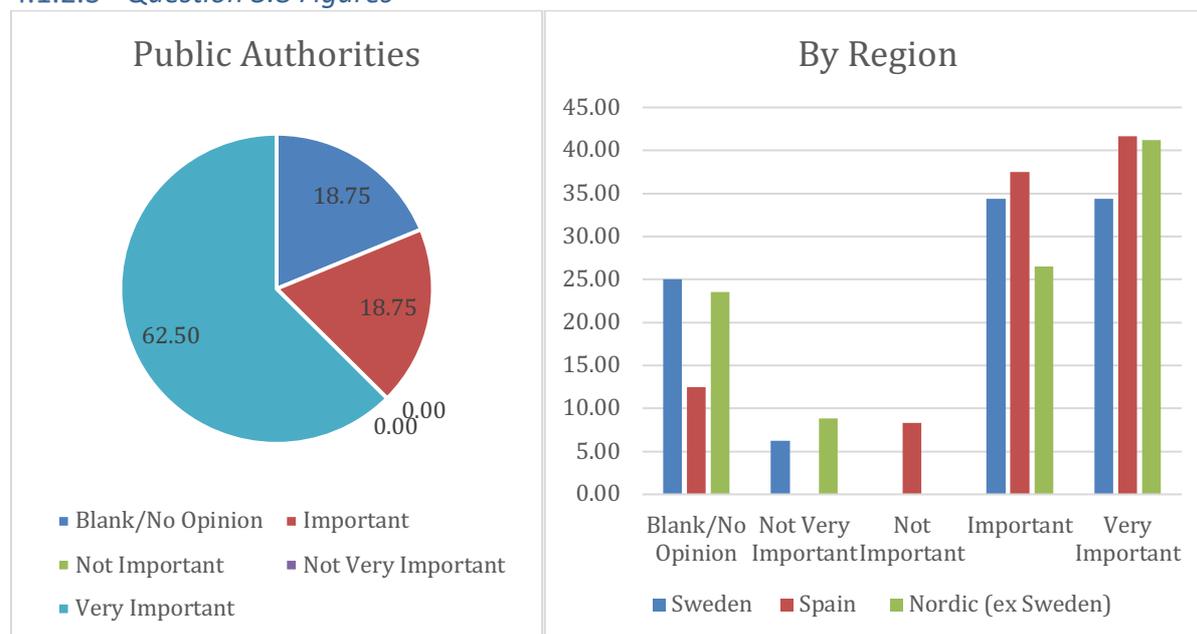
The next question to be analyzed is “Please rate the importance of the following elements being included in Member States’ national energy and climate plans with respect to renewable energy in ensuring that the plans continue to be reaching the objectives of at least 27% in 2030” (European Commission, 2015, p. 5)

This question coded asks the relative importance for MS to develop and discuss plans for electricity market coupling (joining with neighboring country) and reserve and load balancing (ensuring the stability of the power grid) with regards to renewable energy integration. This section asks what the respondents feel are the important elements to be included in the mandatory climate action plans for REDII and include components in the MS nation renewable energy action plan.

Question three could largely be classified as of having low *politicization* as it regards reporting requirements. Politicization is hereby defined using Schmitter’s conceptualization of “a process whereby the controversiality of joint decision-making goes up.” (Schmitter, 1969, p. 166) Responses from all the three categories of countries were overwhelmingly positive with Spain tracking closely with the Nordic countries. All stakeholder categories were strongly in

favor of this policy proposal.

4.1.2.3 Question 3.8 Figures



4.1.2.4 Question 3.8 By Stakeholder Category

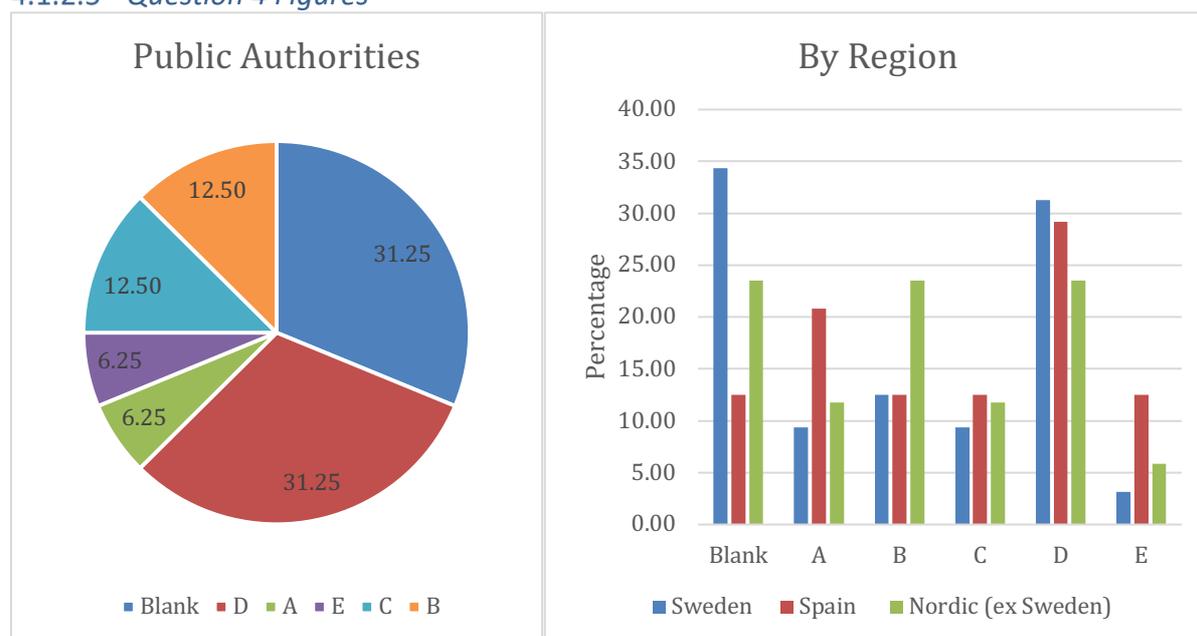
03.8	Company	Organization	Individual
Blank/No Opinion	16.67	21.74	22.22
Not Important	3.33	0.00	11.11
Not Very Important	0.00	10.87	0.00
Important	46.67	23.91	22.22
Very Important	33.33	43.48	44.44

In contrast to the previous question, question four has the potential to be highly politicized and could be argued as having components of LI and NF. The Commission asks “What should be the geographical scope of support schemes, if and when needed, in order to drive the achievement of the 2030 target in a cost-effective way?” (European Commission, 2015, p. 6) This question is at the core of REDII as it regards the geographical scope of the directive. This has to do with LI’s national preferences and NF’s functional spillover. Moreover, it is significant as it also leads to questions about the principle of subsidiarity of the EU’s competency in this regulatory area. Subsidiarity in a European context is the “circumstances in which it is preferable for action to be taken by the Union, rather than the Member States.” (Panizza, 2019) The Commission offers a multiple-choice selection as well as an open-ended component.

The options in the survey are;

- a. Harmonised EU-wide level support schemes;
- b. Regional level support schemes (group of Member States with joint support scheme);
- c. National support schemes fully or partially open to renewable energy producers in other Member States;
- d. Gradual alignment of national support schemes through common EU rules; and
- e. National level support schemes that are only open to national renewable energy producers.” (European Commission, 2015, p. 6)

4.1.2.5 Question 4 Figures



4.1.2.6 Question 4 Table

04	Company	Organization	Individual
Blank	23.33	26.09	11.11
A	20.00	6.52	33.33
B	20.00	15.22	22.22
C	13.33	10.87	11.11
D	23.33	32.61	11.11
E	0.00	8.70	11.11

In their analysis the Commission discusses how 34% of respondents favored option D in which there is gradual alignment or rules. (European Commission, 2016, p. 3) It was interesting to see that only 12.5% of Swedish respondents were in favor of regional support schemes when they have shared a support scheme with Norway since 2011. There was a general correlation the various stakeholders with a gradual alignment of rules being the most popular or second most popular for the respondents.

Public authorities were most in favor of a gradual alignment of support schemes through common rules this. With only 6.25% being in favor of harmonized EU as well as national exclusive rules. Also notable was that individuals were most in favor of Harmonized EU level support schemes indicating a better level of trust in the EU to effectively roll out the process.

Question 7 and 8 regard cooperation and how to explain the limited use of cooperation mechanisms so far. The next question is aimed at evaluating the progress to date concerning cooperation. The Commission states that “The use of cooperation mechanisms has been limited to date. Which of the below factors do you consider important in explaining the limited recourse by Member States to cooperation mechanisms so far?” (European Commission, 2015, p. 7) This question seeks to ascertain if there are incompatible cross border legal provisions, complexities in administration, poor cost-effectiveness, poor encouragement from governments and whether or not MS are hesitant to see their money invested outside the respective country.

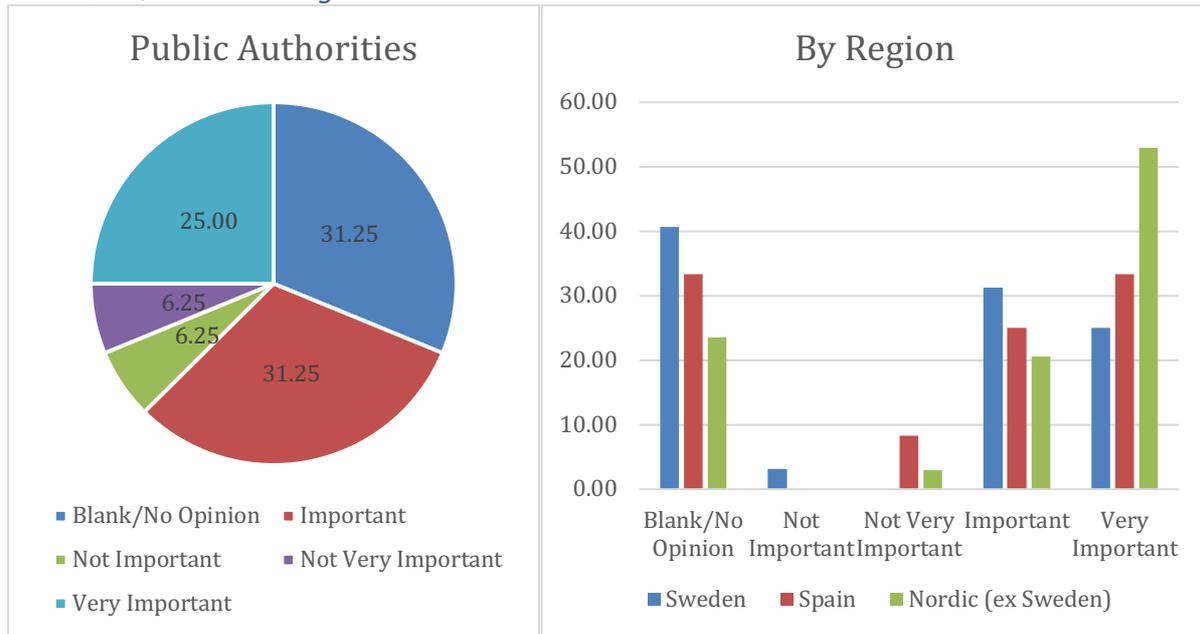
4.1.2.7 Types of Support Schemes

Country	Support Scheme
Denmark	Tariff premium by tender (<i>VE-loven, 2019</i>)
Finland	Tariff premium by tender (<i>Act No. 1396, 2010</i>)
Norway	Quota System Joint Sweden (<i>Elsertifikatloven, 2011</i>)
Sweden	Quota System Joint Norway (<i>Lag om elcertifikat, 2011</i>)
Spain	Tariff premium by tender (<i>Régimen retributivo específico, 2017</i>)

The results of this survey question demonstrate a general agreement between Spain, Sweden and the Nordics. The respondents generally agreed that there was an apprehension to see their ‘taxpayer/consumers’ money used outside of the country. Only three percent of Swedish respondents viewed that as a not important barrier to cross-border mechanisms. This result is puzzling as I would have expected a higher number of respondents not see it as a barrier as Sweden and Norway already have a cross-border renewable energy support scheme. Table 4.1.2.9. For this question, Swedes had the highest percentage of respondents leaving no opinion with over 40% not issuing an opinion. This is significantly higher than the no opinions of the Nordic countries and Spain. Regarding the responses from Spain one third of responses left no opinion and another third viewed the reluctance to see money invested outside of the MS as a barrier.

Regarding stakeholder categories, there was general agreement amongst the various stakeholder types. Of categories company, organization, and individuals 67% 63% 67% of viewed it as an important or very important barrier respectively. Of the category public authorities two thirds of respondents viewed this reluctance to see money outside of the border as an important or very important barrier.

4.1.2.8 Question 7.5 Figures



4.1.2.9 Question 7.5 Table

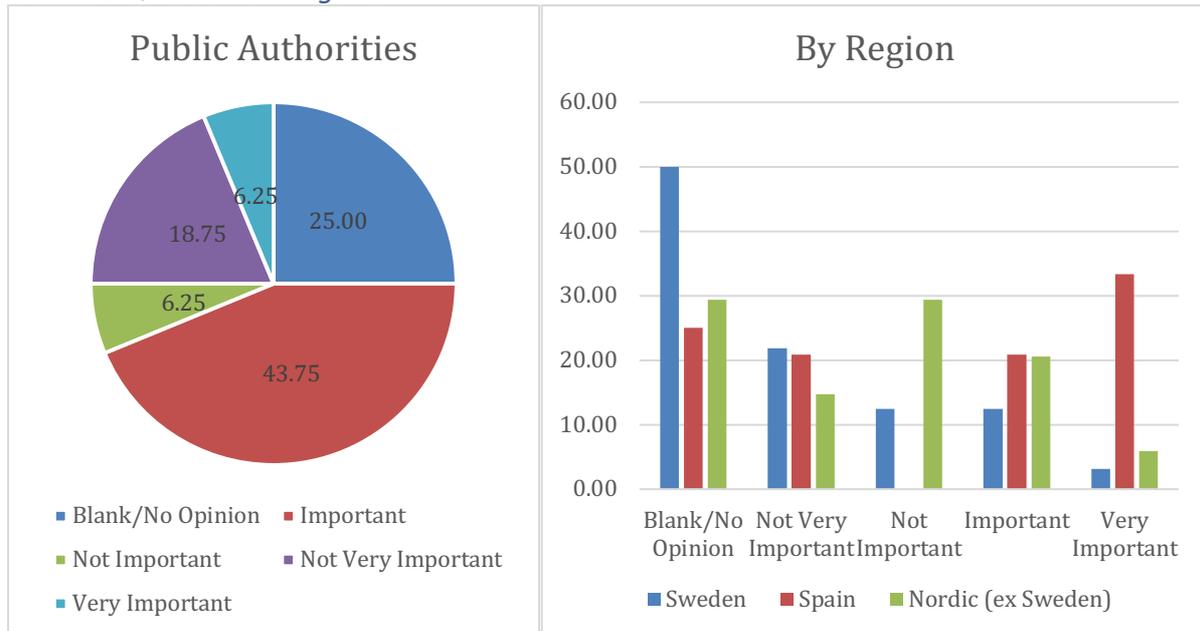
7.5	Company	Organization	Individual
Blank/No Opinion	30.00	32.61	22.22
Not Important	0.00	2.17	0.00
Not Very Important	3.33	2.17	11.11
Important	33.33	21.74	33.33
Very Important	33.33	41.30	33.33

Question 9 is in regard to whether or not that there should be complementary measures at the EU level in the form of incentives, requirements, financing, researching support and regulatory measures. The Commission's analysis posits asserts that 67% of respondents are in favor "EU-level requirements on market players to include a certain share of renewable energy" and that almost half are in favor of EU-level incentives (European Commission, 2016, p. 3)

With regards to question 9.1 half of Swedes left no opinion with over a third of leaving a response that it was either not important or not very important. The Nordics were not too far behind with almost one third leaving no opinion and almost half leaving a response that it was either not important or not very important. The responses from Spain were in stark contrast to that of Sweden with more than half viewing it as an important or very important policy measure.

The stakeholder category public authorities tells a much different story than that of Sweden and the Nordics. About half of public authorities are either see it as important or very important with a fourth of public authorities leaving no response. Individuals are more enthusiastic to EU-level incentives than that of their Organization Company counterparts.

4.1.2.10 Question 9.1 Figures



4.1.2.11 Question 9.1 Table

9.1	Company	Organization	Individuals
Blank/No Opinion	43.33	28.26	33.33
Not Important	16.67	17.39	0.00
Not Very Important	13.33	23.91	11.11
Important	13.33	19.57	33.33
Very Important	13.33	10.87	22.22

4.1.3 Empowering Consumers

The second part of the survey regards how to *empower consumers* to play a role in the transition to renewable energy. The Commission posits that all participants (industry or consumers) should have the ability to *self-consume* as well as store energy produced by renewables in the EU energy market. (European Commission, 2015, p. 8) The EU thus wants to enhance the participant’s ability to do just that. The empowering consumers section of the survey is broken up into four different questions.

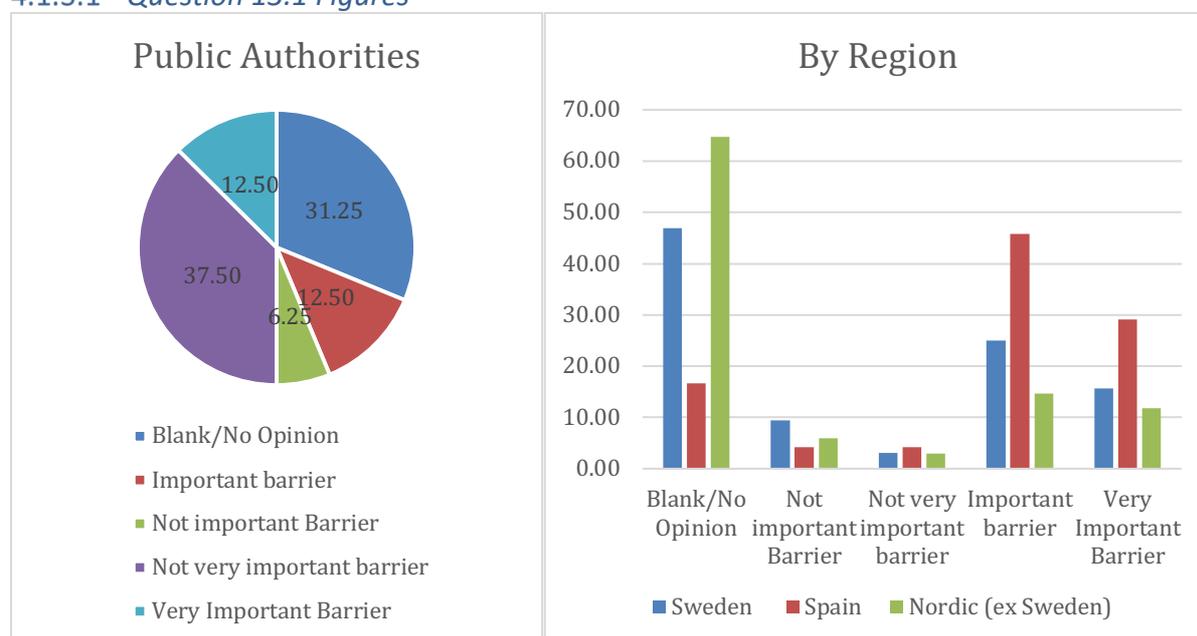
Question 11 concerns what types of barriers the respondent view as a hindrance to consuming and producing their own energy. Question 12 asks the respondent about whether or not the potential for renewable energy is under or over exploited at the local level. In the Commission’s analysis of all 614 respondents over 90% of respondents who had an opinion “believe that the renewable energy potential at [the] local level is still underexploited.” (European Commission, 2016, p. 2)

Question 13 asks about the type of barriers for this topic occur at the local level. Question 13.1 asks whether or not there is sufficient support from MS. Over 65% of Nordic States either had no opinion on the matter or ranked it of little or no importance. Spain, however, felt it was an important or very important barrier. This is an area that was not mentioned in the Commission’s summary. Over half of Swedish respondents either did not view it as an important barrier or did not respond altogether.

Regarding the regarding public authorities it is interesting to see how they rate themselves as this could be construed as a self-evaluation. Only 25% of public authorities viewed this as either an important or very important barrier. The remaining 75% fit in the remaining categories. This question is not mentioned in the summary of the Commission analysis. (European Commission, 2016)

Regarding the other categories of respondents it is noteworthy that 44% of all individuals replied that the MS is a very important barrier for deployment of renewable energy at a local level. Few Organizations and Companies viewed it as a non-important or not very important barrier.

4.1.3.1 Question 13.1 Figures



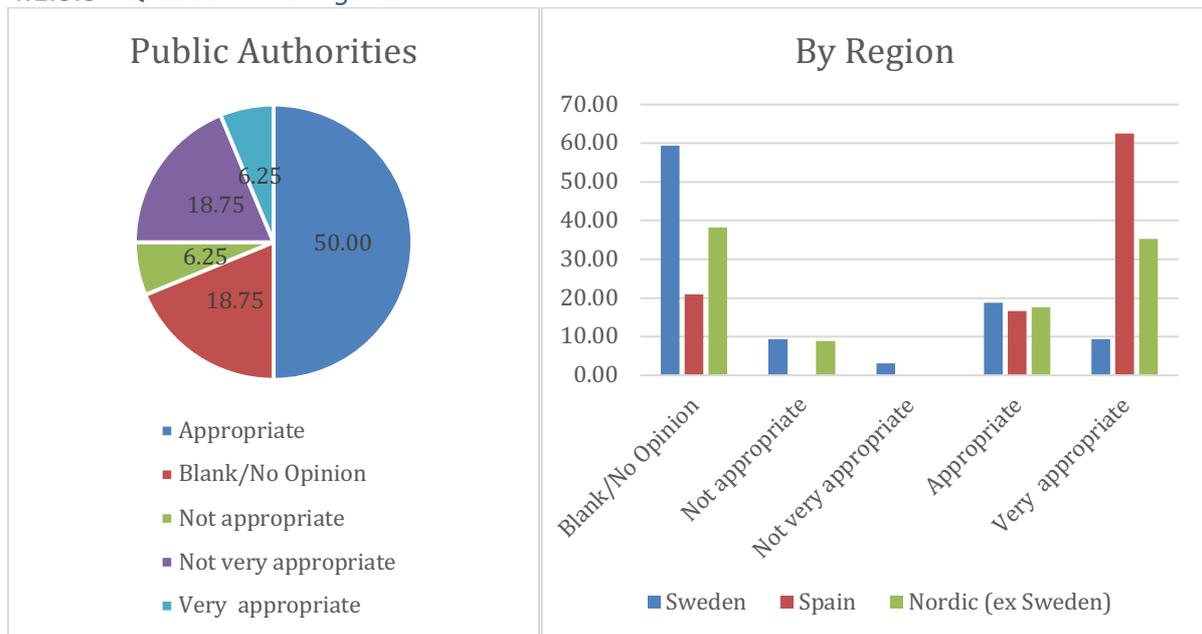
4.1.3.2 Question 13.1 Table

13.1	Company	Organization	Individual
Blank/No Opinion	50.00	41.30	33.33
Not important Barrier	3.33	6.52	11.11

Not very important barrier	0.00	6.52	0.00
Important barrier	30.00	30.43	11.11
Very Important Barrier	16.67	15.22	44.44

Question 14 regards what measure the EU can take to ensure the removal of barriers for locally deploying renewable energy projects. The Commission’s Analysis emphasized that over 84% of respondents are in favor of “rules guaranteeing that consumers have the possibility to produce and store their own renewable heat and electricity.” (European Commission, 2016, p. 4) To expand upon that question, over 56% of public authorities saw this right to produce/store energy as an appropriate or very appropriate measure. There was a divergence in opinion by region with Spain being most in favor of this measure with over 79% viewing it as either appropriate or very appropriate with an emphasis on very appropriate. Almost 60% of Swedish respondents had no opinion followed by the Nordics at almost 40%. Over two thirds of individuals responded that this was either appropriate or very appropriate with an emphasis on very appropriate. Conversely, companies did not have a similar view. This could be attributable to utility companies not wanting to lose market share. Further research is needed.

4.1.3.3 Question 14.5 Figures



4.1.3.4 Question 14.5 Table

14.5	Company	Organization	Individual
Blank/No Opinion	53.33	34.78	33.33
Not appropriate	10.00	6.52	0.00
Not very appropriate	3.33	0.00	0.00

Appropriate	13.33	17.39	11.11
Very appropriate	20.00	41.30	55.56

4.1.4 Decarbonizing the Heating and Cooling Sector

The third part of the survey regards how to decarbonize the heating and cooling sector. The Commission mentions how significant the introduction of renewables in the heating and cooling sector can be. (European Commission, 2015, p. 12) In the EU heating and cooling takes up almost half of all energy used with more than 75 percent of that energy being sourced from fossil fuels. (Patronen et al., 2017, p. 15) With the rapid integration of renewables in the electricity grid there has not been the same levels of effectiveness in the expansion of renewables in Heating and Cooling. In the year 2008 there was a share of 17 percent and 13.8 percent of renewables in the electricity production and heating and cooling respectively. By the year 2017 that gap had more than tripled to more than 11%. (Eurostat, 2019)

4.1.4.1 *Table 1.2 Percentage of Renewables in Energy*

	2008	2009	2010	2011	2012
Electricity	17.0%	19.0%	19.7%	21.7%	23.5%
Heating and Cooling	13.8%	15.2%	15.4%	16.0%	17.0%
	2013	2014	2015	2016	2017
Electricity	25.3%	27.4%	28.8%	29.6%	30.7%
Heating and Cooling	17.5%	18.4%	18.8%	19.0%	19.5%

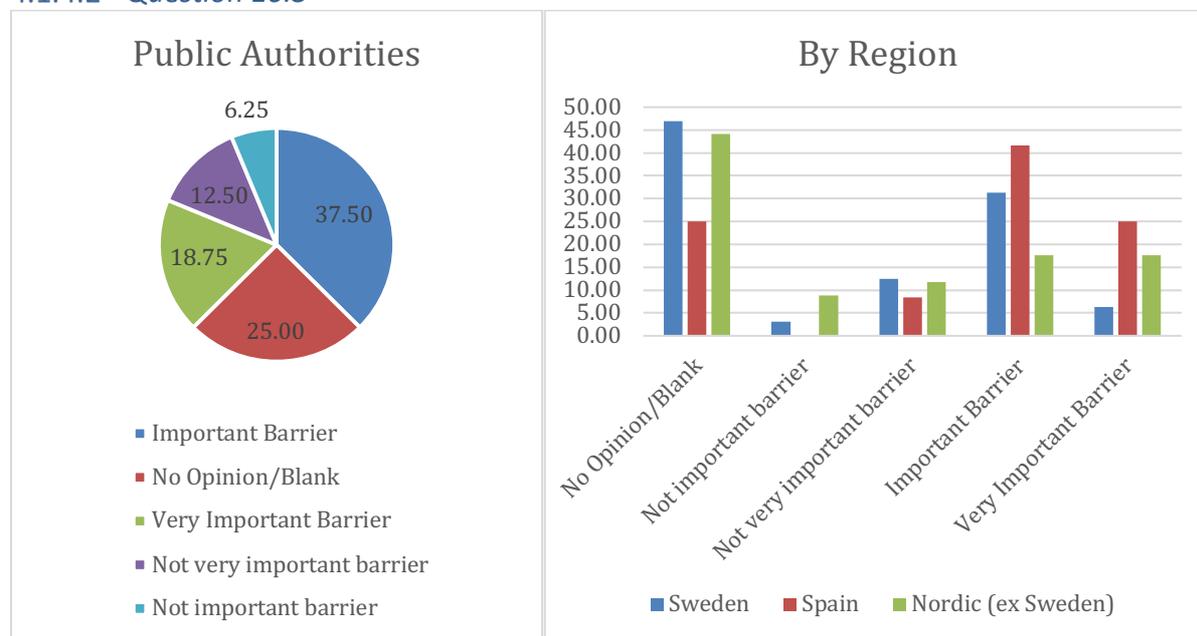
Source (Eurostat, 2019))

REDI originally had a limited scope in promoting the integration of renewables in heating and cooling. With the recast the Commission has considered stronger provisions to decarbonize heating and cooling. The Commission suggests that renewable heating and cooling could be a component of the soon to be mandatory nearly-zero energy building (NZEB) standards. The Commission suggests that efforts to increase the decarbonization of district heating systems could be a efficient way of meeting renewable targets.

Question sixteen asks respondents about what they see as significant barriers in decarbonizing heating and cooling. The Commission’s analysis stakeholders mention that a lack of national and local strategy, lack of financial resources, and a lack of market design in demand response are a barrier to the adoption of renewables at 84%, 80%, and 78% respectively. (European Commission, 2016, p. 4) Svensk Fjärrvärme (the Swedish Heating and Cooling Association) argues in its response to the Commission that the most critical barrier to decarbonizing heating and cooling is not asked about in this survey. Svensk Fjärrvärme argues that it is “the low price of fossil fuels used for heating” is the largest barrier to decarbonizing heating and cooling. (survey response)

A noteworthy finding of this survey is that over half of public authorities see a lack of government strategy at the MS level as a significant barrier with 38% and 19% vising it as an important or very important barrier respectively.

4.1.4.2 Question 16.3



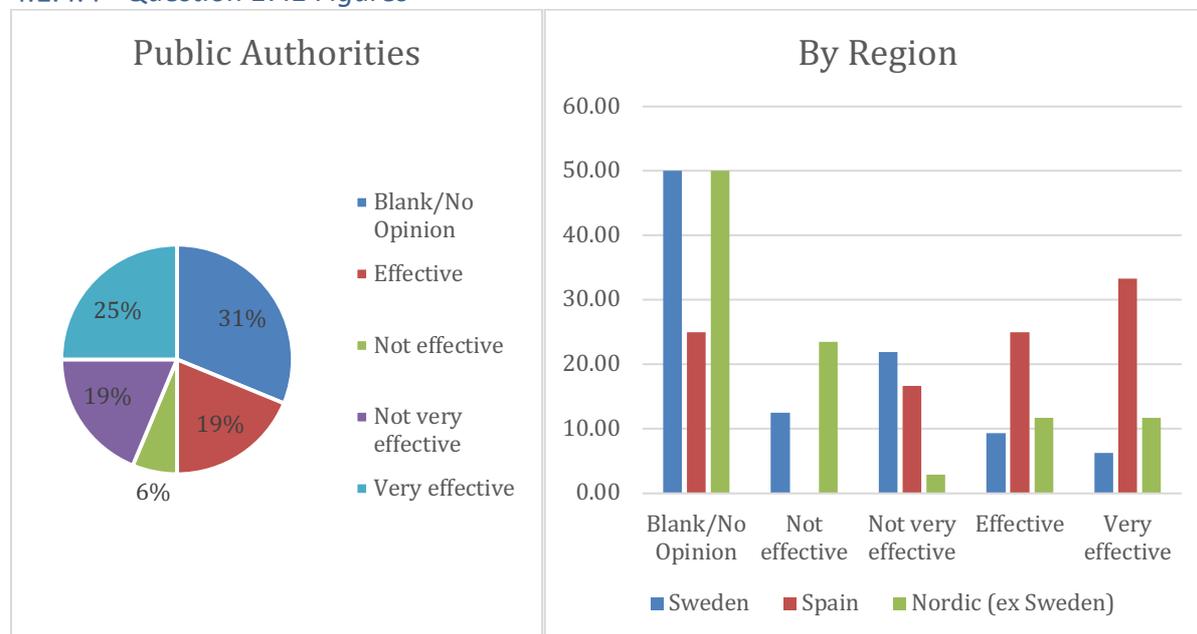
4.1.4.3 Question 16.3 Table

16.3	Company	Organization	Individual
No Opinion/Blank	53.33	32.61	33.33
Not important barrier	3.33	4.35	0.00
Not very important barrier	6.67	15.22	11.11
Important Barrier	23.33	34.78	22.22
Very Important Barrier	13.33	13.04	33.33

Question 17 is in regards to what potential legislation would decarbonize heating and cooling. This could be in the form of mandatory obligations, or benchmarks. The Commission's analysis stakeholders mention that renewable heating and cooling obligations, and mandatory minimums of renewable usage NZEB building standards could be effective in decarbonizing heating and cooling at 61% and 67%. (European Commission, 2016, p. 4) Concerning the area of Renewable heating and cooling obligations, none of the countries had a significant response about its effectiveness or lack of it. Around 58% of Spain's responses felt that it was effective or very effective roughly with only 17% responding that it was not very effective. Half of Sweden and the Nordic countries had no opinion on the subject. Less than half of the public

authorities felt this was either effective or very effective, with almost one third having no opinion or leaving it blank.

4.1.4.4 Question 17.1 Figures



4.1.4.5 Question 17.1 Table

17.1	Company	Organization	Individual
Blank/No Opinion	56.67	36.96	33.33
Not effective	13.33	15.22	0.00
Not very effective	16.67	13.04	11.11
Effective	6.67	19.57	11.11
Very effective	6.67	15.22	44.44

4.1.5 Adapting Market Design and Removing barriers

The fourth part of the survey regards how the market can be redesigned to work for renewables. In the Survey the Commission discusses how it is of the “utmost importance” to redesign the structure of the energy market to integrate renewables. (European Commission, 2015, p. 16) They mention how short term and balancing markets could help in making the production of variable renewable energy (VRE) more competitive with traditional constant non-renewable energy (e.g. coal, oil, gas, nuclear, etc.) This part of the survey is about how the energy market can adapt to the fundamental paradigm change of decarbonizing and introducing VRE. The European Network of Transmission System Operators for Electricity (ENTSO-E) mentions how the era where “centralized [largely non-renewable] power stations [which] provided the bulk of Europe’s energy needs is nearing an end.” (ENTSO-E, 2011, p. 4)

This change in how electricity is produced and distributed will thus need a new market. The Commission mentions how steps were taken in REDI to improve transparency and ensure principles of non-discrimination for connection to the electric grid. (European Commission, 2015, p. 16) The REDI REFIT (Regulatory Fitness and Performance) evaluation mentions that the state of progress in removing renewable energy deployment barriers is not progressing as hoped and the Commission thus recommends that further convergence of rules should be considered. (European Commission, 2016b) The Commission further mentions the principle of subsidiarity and that these new rules should not be a hindrance to that principle. There are continued suggestions of a ('one-stop-shop') for removing barriers, and improving coordination of MS. (European Commission, 2015, p. 17)

Question eighteen asks the respondents which types of changes or evolutions to the market rules will help integrate the renewables in the market. The Commission suggests policy proposals and asks the respondents which policies will help with the integration such as shortening the length of trading intervals, utilizing smart meters for time of use prices for energy, and enshrining the consumers ability to participate in demand response management. The Commission's analysis asserts that respondents are in favor of EU harmonization of electricity trading times, making bid sizes smaller, as well as measures enshrining the right of consumers to store energy (heat, electricity and chemicals) at 82%, 80% and 77% respectively. (European Commission, 2016, p. 5)

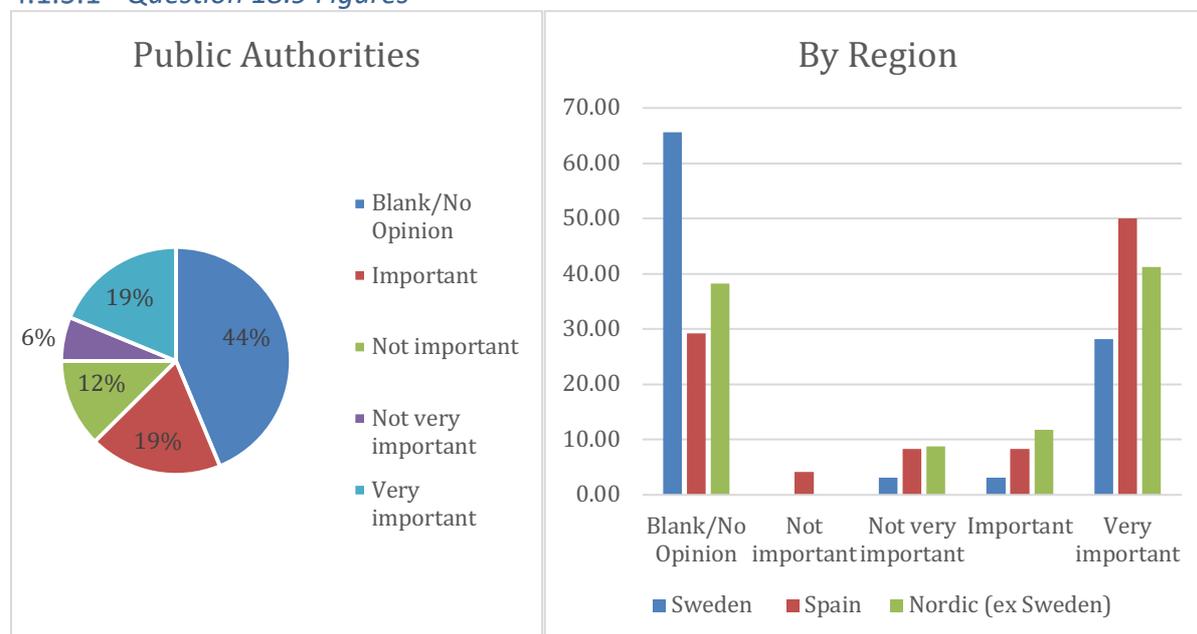
Shortening trading intervals would allow VRE to better compete as it is more difficult for VRE generators to forecast and guarantee energy supply at longer intervals. This is due to the variability of VRE sources such as sunlight and wind. The Commission's analysis mentions that 77% of respondents are in favor of these shorter trading intervals. (European Commission, 2016, p. 5) Time of use retail prices would allow for pricing to be more reflective of the actual costs of producing the energy.

Time of use pricing would require the use of smart meters which transmit information based upon the time of day. The retail provider of electricity could then charge different rates based upon what the supply of energy is. A case study of this is the electricity market in Texas where TXU a retail electric provider offers 'Free Nights & Solar Days' in which they do not charge for electricity at night when there is a surplus of wind energy so that it is not curtailed. (Cohn, 2017)

Participating in demand response management would allow consumers to send electricity back to the power grid when there is a shortage of electricity. An example of this could be the ongoing tests on the Danish island of Bornholm in which consumers will sell back electricity from their car battery to the electric grid when there is a shortage of VRE or other sources of energy thus decreasing the need to curtail energy at times when the grid is unable to handle energy from VRE sources (Binding et al., 2010, p. 1) Results of the coding of question 18 show that public authorities equally ranked important and very important at 18.75% each and not important or not very important as a combined 19%. The fact that roughly 44% had no opinion

on this subject may be attributed to the question concerning the rights of consumers. When reviewing country responses, Swedish respondents 31% saw this issue as important or very important compared with the Nordics at 53% and Spain as 58%.

4.1.5.1 Question 18.9 Figures



4.1.5.2 Question 18.9 Tables

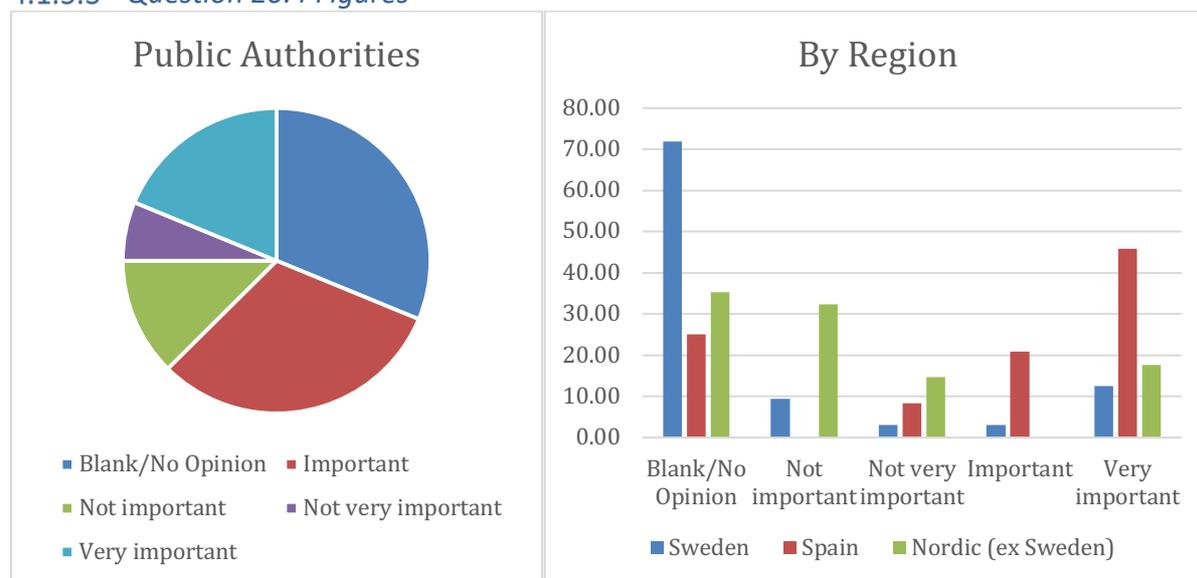
18.9	Company	Organization	Individual
Blank/No Opinion	53.33	43.48	33.33
Not important	0.00	0.00	11.11
Not very important	13.33	2.17	11.11
Important	6.67	8.70	0.00
Very important	26.67	45.65	44.44

Question nineteen asks respondents about whether or not there is still a need for balancing responsibilities exemptions for VRE generators or if it is time that all sources of electricity are treated equally. In the Commission’s analysis 59% of respondents believed that renewables should be treated the same as traditional fossil fuels. Whereas 41% of respondents believed that there should remain exemptions for VRE. (European Commission, 2016, p. 5)

Question twenty regards what types of EU rules need to be strengthened to enhance the deployment of renewable energy to the grid. The Commissions Analysis asserted that respondents were in favor of compensation for disruptions to grid, transparent grid development plans, and incentives to invest in underserved areas were at 77% 87% and 89% respectively. (European Commission, 2016, p. 5) The section coded for the purposes of the study relates to connection obligations for renewables. Roughly one half of the public

authorities considered this to be important or very important. Less than 20% did not view its importance and 31% had no opinion or left it blank. Likewise 72% of the Swedish respondents had no opinion, a large percentage compared with the other Nordic countries at 35% and 25% for Spain. Conversely, two thirds of Spanish respondents ranked the subject as important or very important with the Nordics coming in at 18% and Swedes at 12%

4.1.5.3 Question 20.4 Figures



4.1.5.4 Question 20.4 Table

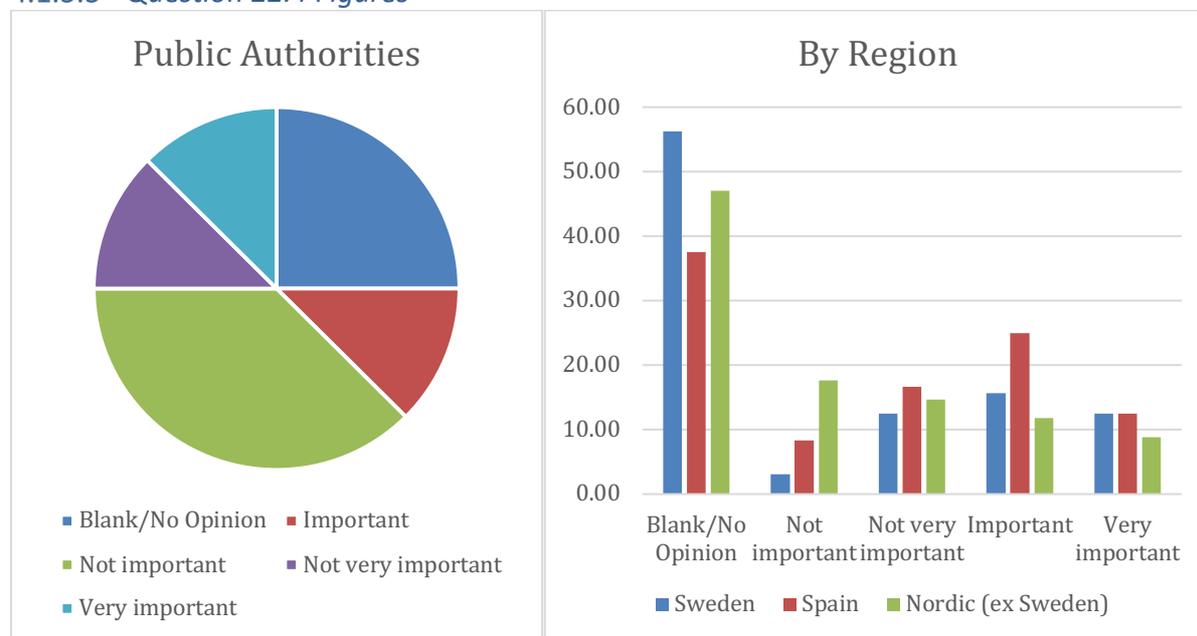
20.4	Company	Organization	Individual
Blank/No Opinion	53.33	43.48	33.33
Not important	16.67	17.39	0.00
Not very important	10.00	6.52	11.11
Important	6.67	4.35	11.11
Very important	13.33	28.26	44.44

Question twenty-one asks respondents about whether or not there is still a need for dispatching exemptions for VRE generators or if it is time that all sources of electricity are treated equally. In the Commissions analysis 54% of respondents were in favor of merit order whereas 46% were in favor of maintaining exemptions for renewables.

Question twenty-two regards what types of EU rules need to be strengthened to enhance the deployment of renewable energy by removing administrative barriers. The Commissions analysis mention's that the creation of a one-stop-shop for permitting in the development of renewable energy was supported by 79% of respondents. (European Commission, 2016, p. 6) The topic of harmonizing the permitting procedures is analyzed in more depth. One half of the public authorities did not view this as important and one quarter did not respond. Another quarter did feel the issue was either important or very important. Spain ranked this issue of harmonization at the national level as important or very important (37.%) with one quarter of

the respondents not viewing it as important. Almost one half of the Nordic respondents did not have any opinion and more viewed it as not important than seeing it as important (32% vs. 22%). More than half of Sweden respondents also left this item blank, but favored importance over non-importance at 28% and 15% respectively.

4.1.5.5 Question 22.4 Figures



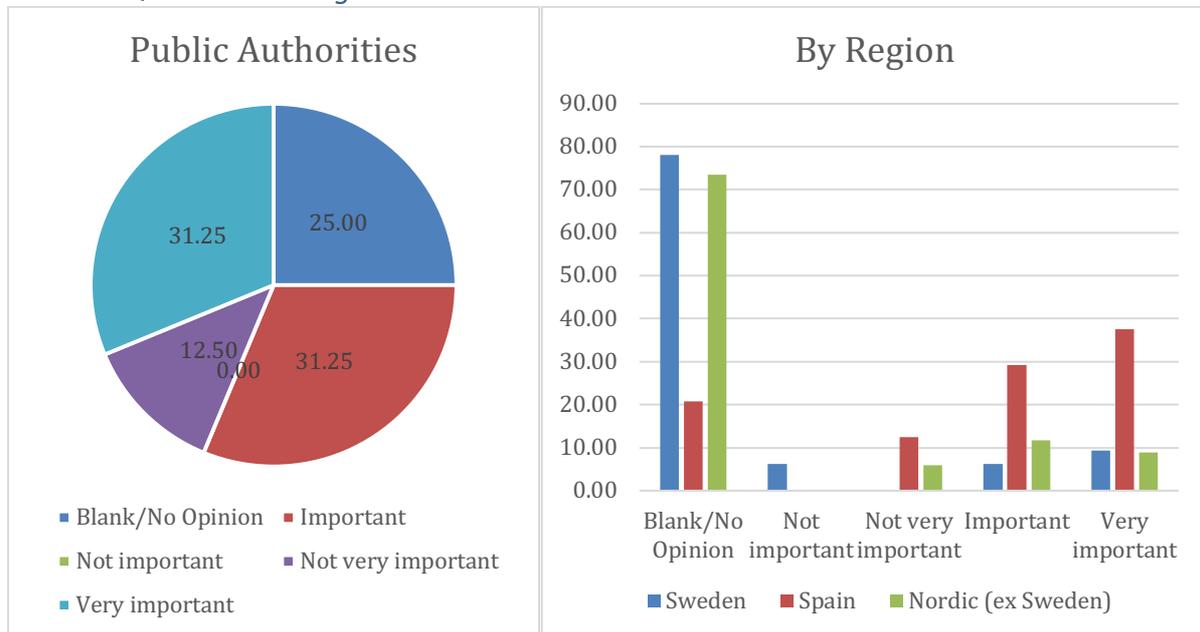
4.1.5.6 Question 22.4 Table

22.4	Company	Organization	Individual
Blank/No Opinion	50.00	50.00	33.33
Not important	6.67	6.52	11.11
Not very important	6.67	21.74	11.11
Important	23.33	17.39	0.00
Very important	13.33	4.35	44.44

Question twenty-five regards which EU level rules are needed to train and certify installers who work with renewable energy. According to the Commission analysis 83% of respondents are in favor of mutual recognition of each other's certifications and training. Concerning the reciprocal recognition of certifications among MS, the responses were lackluster for Sweden and the Nordic countries ranking this at 16% and 20% respectively as important or very important. Spain, however, came in at 66%. No opinions for both Sweden and the Nordic countries were extremely high, both coming in around 75%. Conversely, public authorities ranked this extremely high with 62% viewing this as either important or very important with

only 12.5% not seeing this as an important issue. The response rate was particularly high on this with only one quarter no having an opinion.

4.1.5.7 Question 25.4 Figures



4.1.5.8 Question 25.4 Table

25.4	Company	Organization	Individual
Blank/No Opinion	76.67	56.52	33.33
Not important	0.00	4.35	0.00
Not very important	3.33	6.52	11.11
Important	10.00	15.22	22.22
Very important	10.00	17.39	33.33

4.2 RQ2

Are NF and LI an adequate lens by which to understand online consultations in REDII?

In my response to this research question I will argue that NF is better suited for analyzing the online consultation. My hypothesis is NF provides a more effective framework for understanding the REDII online consultation than LI. My reasoning for coming to this conclusion was the adaptability of NF as well as the fact that LI not being as conducive to the adaption of already existing agreements and or polities. Moravcsik's three-stage framework for LI mainly serves the purpose to explain 'grand bargains' of integration. (Naurin, 2018, p. 1527) The names of the Moravcsik three-stages are national preferences, bargaining, and establishment of regional institutions. (Moravcsik and Schimmelfennig, 2019, p. 65) These names are indicative of grand bargains and conversely not that of smaller processes. LI views the states as premier and the gatekeepers of integration and as a result LI is also not well suited to that of the online consultation which is ostensibly an aggregation of policy exercise.

When looking at the process of providing an online survey from the Commission to all constituencies of the EU is by its very nature the definition of Lindberg's definition of integration in which MS. (Lindberg, 1963, p. 6) This is a practical decision rather than a political one in the sense that governments are aware that their nation alone does not have the ability to achieve energy policy implementation without the structure of the EU.

The five key assumptions of NF are adaptable to the REDII online consultation. The first assumption on self-interested rational actors (a feature shared with LI) is evident in shifting of loyalties to the EU level. While both NF and LI see nations as acting rationally, LI has a much larger emphasis on that of the state. In other words, this qualifies as the first assumption of NF in that nations are rational, self-interested actors who decide to pool resources to a supranational for a better outcome. While LI is effective in this nature it is difficult to adapt the theory of LI with that of other theories. There is a tacit agreement to the premise that MS have agreed that they cannot act independently in the renewables area and that they are willing allowing themselves to be aggregated with other MS towards a common goal. They accept that the Commission is gathering information from the survey as a part of policy formulation and that the leaders have subsumed their authority "to the centre" or to the Commission to reach a group outcome.

The second assumption of NF is also adaptable to the REDII online consultation. It is evident in the responses to the online consultation that there has been a shifting of the interests to the Commission. This takes form in two key ways through the creation of European elites in the form of bureaucrats as well as European interest organizations. The bureaucratic elites at the Commission push for the development of a renewable energy policy. In REDII they have done this through the formulation of how they structured the online consultation survey. They ask leading questions and inserted in questions regarding the subsidiarity next to nonpoliticized ones. The Commission also in its public release of its findings of the REDII online consultation was keen to not emphasize all of the politicized questions. The Commission is thus able to

incrementally garner more influence enabling further buy-in from MS and expanding their benchmarks in renewable energy directives.

The third assumption of NF is spillover. Several types of spillover have occurred within this policy area. Functional spillover is evident in the expansion of scope of the survey. An example of this functional spillover is the expansion of the heating and cooling component of the survey. With the increases in the adaption of renewables in electricity the Commission needed to place a greater emphasis on decarbonizing heating and cooling. An example of political spillover is question 14.5 that pertains to a consumer's ability to generate, consumer and store their own energy. In the public authority component over 56% were in favor of having this right to be given at an EU level. This example of political spillover could also be explained as an example of the fourth assumption which is that there can be positive sum outcomes to cooperation.

The fifth assumption is that there is a strong interconnectivity of the actors in the EU and example of this could be the over 110 Organizations based in Brussels and the numerous European trade organizations that responded to the survey.

Another characteristic that falls squarely in the NF camp is that the topic, process and survey are all done by and for the elites, even though it is billed as an open democratic process. Data proves that although online consultations are open to all actors, the reality is that it is not so. This is evidenced in two ways: First, the architecture of the survey itself is leading and technical. For example, the regular citizen will have limited knowledge about support schemes, power grids and gate closure times. Their interest in near zero emission construction is low; Second, the awareness that online consultations exist is not communicated well. Even ardent environmentally conscious citizens may find the efforts to know where to find the consultation, the time frame available to reply and the overall process daunting. This is proven by the very low response rates by individuals.

In summary, the NF theory has many applicable characteristics. MS give their authority for the formulation of renewable policy to be combined with the other MS for management. They maintain control over the type of renewables they choose, but the overall management of renewables as a whole is given freely to the EU. This is because they view it as a positive sum game for them. They gain from a market, shared infrastructure from the EU elites and technical expertise. They are therefore inextricably linked with other actors. The largest blocks of actors will have the highest influence.

5 Conclusions

In conclusion, the objective of this paper was to use the Renewable Energy Directive's second online consultation as a case study in which to better understand European integration. Rather than rely completely on reviewing the content of the survey itself, this thesis took a more investigative approach by not only reviewing the architecture of the study, the official summary published by the Commission, but also retrieving the specific data from respondents and tabulating them to see what they revealed.

Consultations have been used for decades as a means of learning what stakeholders know and how they see issues. With the advent of the internet, the obvious extension was to offer these consultations online. This enabled the Commission to broaden the reach of public consultations, thereby making them more democratic. This makes the results an interesting microcosm of integration theory. Since data is submitted and stored online, the possibilities to examine results in any numbers of ways has opened up a new field of examination. Now tangible evidence of stakeholders and their relative power to influence can be more easily quantified. Stakeholders are offered the ability to submit confidential responses more easily. Regions can be analyzed and sorted by geography, size or other measures to understand if there are north/south issues or new vs older MS divisions.

As a result, the research question is: Are there regional and/or stakeholder variations in policy preferences? Data that emerged verify that the sheer numbers of public authorities and organizations have an impact on policy formulation. Moreover, many of the organizations show their commitment to the process of influencing policies. This is evident through the sheer number of organizations who report from Belgium, presumably Brussels. Data analysis uncovered the reality that very few individuals (3%) responded to this online survey. Since the renewable policy arena is one of heightened citizen interest, the assumption is that the surveys are either not well communicated, too technical and/or require too many resources to participate. Of no surprise is the fact that Germany, Belgium, France, Sweden and the U.K. were among the highest responding countries. Luxembourg and Lithuania did not have responses.

The second research question is: Are NF and LI an adequate lens by which to understand online consultations in REDII? After careful analysis of both theories, it can be concluded that NF is the better lens by which to view this online consultation. An analysis of the five basic assumptions of NF, there are components of each including such issues as spillover, the rationality of national actors and subsidiarity fit the profile of the online consultation.

My hypothesis (H1) borrows from LI and NF in that there will be correlations based upon specific issues in which some policy questions regarding REDII will have broad agreement, whereas other questions in the survey will have broad disagreement or no correlation at all. My hypothesis is NF provides a more effective framework for understanding the REDII online consultation than LI. Looked at broadly, LI is meant more for larger, more formulated

legislation such as treaties where the MS formulates preferences, bargains and accepts the outcome as being the best alternative given circumstances and concessions.

The hypothesis that NF is a better framework proved out through careful examination. The surprising results of the tabulated results was the lack of individual participants in the survey. This underscores NF theory that elites are in place to function in ways that individuals cannot. Nonetheless, the lack of individual responses in light of the broad support for environmental issues was profound.

An area that deserves further investigation is the mechanics of making the online consultations known. Unless an individual is actively watching EU activities, there would be little awareness of this type of opportunity. While many scholars have already studied this tool of online consultations, further investigation is in order. As member states go forward toward attaining their renewable energy goals, a clearer understanding of the integrative forces of the EU will help in creating a more transparent and inclusive Europe.

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7 Annex

See next page for Commission Questionnaire conducted by the European Commission in late 2015

CONSULTATION QUESTIONNAIRE (WEB-BASED)

Preparation of a new renewable energy directive for the period after 2020

I. INTRODUCTION

In its Energy Union Framework Strategy, the Commission announced a new renewable energy package for the period after 2020,¹ to include a new renewable energy directive (REDII) for the period 2020-2030 and an updated EU bioenergy sustainability policy. This consultation covers the REDII aspects. The bioenergy sustainability policy will be covered by a separate public consultation.

The results of this consultation, together with the results of the separate public consultation launched by the Commission in July 2015 concerning market design (available at <https://ec.europa.eu/energy/en/news/redesigning-europes-electricity-market-%E2%80%93-give-your-feedback>), will inform the impact assessment for REDII.

Please, submit your response to this public consultation by 10 February 2016 at the latest. You are invited to reply to the questions in the questionnaire by using the link to the survey on DG ENER's consultation webpage or via EU Survey. Always use this questionnaire even if also other documents are submitted. In order to facilitate the Commission's processing of responses, please respond in English as far as possible.

Received contributions will be published on the Internet, unless a confidentiality claim has been made on reasonable grounds. Responses from non-registered organisations will be published separately. The Commission also intends to publish a document summarizing the main outcomes of this consultation.

II. EVALUATION OF CURRENT POLICIES

As part of the Commission's better regulation agenda, the current renewable energy directive² (RED) was included in the Commission's 2013 REFIT programme and a comprehensive evaluation study of the RED was carried out in 2014 for the purpose of assessing its effectiveness, efficiency, relevance, coherence and EU added value and to obtain stakeholders' views on the impacts and benefits of the Directive.³ The main findings were included in the 2015 Renewable Energy Progress Report.⁴ This public consultation builds on the REFIT evaluation and aims at obtaining additional information on impacts and benefits of

¹ Commission Communication: A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy (COM/2015/080 final) of 25 February 2015

² Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC

³ REFIT Evaluation of the Renewable Energy Directive (*CE DELFT, 2014*) available on: https://ec.europa.eu/energy/sites/ener/files/documents/CE_Delft_3D59_Mid_term_evaluation_of_The_RED_DEF.PDF

⁴ COM (2015) 293, available at: <https://ec.europa.eu/energy/en/topics/renewable-energy/progress-reports>

the RED. Where appropriate, some of the questions in this questionnaire therefore also address evaluation of current policies.

III. CONTEXT AND CHALLENGES

The core objectives of the EU Energy Union Framework Strategy⁵ are to develop a long-term, secure, sustainable and competitive energy system in the EU. Europe should also be a leader in renewable energy. For this, it is important to continue to increase the share of renewable energy sources in the EU.⁶ The RED ensures that all Member States will contribute to reaching 20% renewables at EU-level by 2020. In October 2014, the European Council agreed that **at least** 27% share of renewables by 2030 would reflect a cost-optimal way of building a secure, sustainable and competitive energy system (alongside an at least 40% domestic GHG emissions reduction target and the at least 27% energy efficiency target, which is to be reviewed by 2020, having in mind an EU level of 30%).

As the current legislation will not be sufficient for this purpose⁷, there is a need to modify the legislative framework to ensure a timely and cost effective achievement of the EU level binding target on renewables by 2030. A combination of different factors will need to be addressed, including:

- **General approach:** The existing policy framework does not address uncertainties with regard to national policies, governance and regional cooperation to ensure a timely and cost effective target achievement for the period after 2020.
- **Empowering consumers:** A lack of consumer empowerment and incomplete information on renewable energy solutions can hinder cost-optimal deployment of renewable energy at city and community level.
- **Decarbonising the heating and cooling sector:** In the heating and cooling sector, which represents almost half of the EU energy consumption, the current regulatory environment in combination with a lack of information does not incentivise cost-optimal deployment of renewables in heating, cooling and hot water use. The sector remains dominated by fossil fuels and therefore dependent on imports.
- **Adapting the market design and removing barriers:** The current regulatory environment does not properly reflect externalities of energy production in market prices, including environmental, social, innovation and economic externalities. Together with persistent and distortive fossil fuel subsidies,⁸ this is one of the reasons leading to high capital costs that hinder cost-optimal renewable energy deployment. In addition, a lack of market integration, infrastructures (storage, interconnections) and smart solutions, including demand-response, also hinder cost-optimal deployment of renewable energy. Finally, complex administrative procedures for renewable energy deployment at national

⁵ Commission Communication: A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy (COM/2015/080 final) of 25 February 2015

⁶ As highlighted in the 2030 climate and energy framework (COM(2014) 15 final)

⁷ As highlighted in the baseline scenario of the 2030 climate and energy framework (COM(2014) 15 final)

⁸ Estimated by IMF to be 330 Billion Euro in 2015, source:

<http://www.imf.org/external/pubs/ft/survey/so/2015/new070215a.htm>

and local level have not yet been eliminated. This covers, inter alia, permitting and grid connection procedures⁹.

- **Enhancing renewable energy use in the transport sector:** A policy fostering the use of sustainable alternative renewable fuels would contribute to decarbonising the transport sector and reducing risks related to its fossil fuel dependency and could remove current market distortions and fragmentations observed in particular in the internal market for biofuels. Despite the progress made with regard to the development of alternative renewable fuels such as advanced biofuels and renewable fuels of non-organic origin, commercial deployment of such products in the EU is lagging behind. The main reason is the perceived uncertainty about the policy framework after 2020. Only a few Member States have adopted dedicated support measures for advanced biofuels, while most have focussed on more traditional biofuels. The potential for electric transport using renewable electricity deployment is still untapped, due to still high technology costs of deployment and lack of necessary infrastructure.

IV. PUBLIC CONSULTATION

1. General approach

The RED sets an EU target for renewable energy in gross final energy consumption of 20% by 2020 and 10% of the final energy consumption in transport. In order to achieve the overall 20% target, mandatory national targets for 2020 are fixed for each Member State. The RED also obliges Member States to prepare National Renewable Energy Action Plans (NREAPs) and biannual progress reports to create transparency and predictability for investors and facilitate monitoring of progress towards target achievement. The European Council has reiterated several times that the 2020 targets need to be fully met¹⁰.

For the period after 2020, binding national targets are replaced by a binding EU-level target of at least 27% renewable energy in final energy consumption by 2030 without sectorial targets or binding targets at national level. A new approach to target achievement therefore needs to be developed, building on the Energy Union Governance and Member States' national energy and climate plans for the period up to 2030, which are expected to include national contributions towards the EU-level renewable energy target.

Without putting into question Member States' flexibility with regard to meeting their greenhouse gas reduction targets in the most cost-effective manner in accordance with their specific national circumstances, energy mixes and capacities to produce renewable energy, the new Energy Union Governance will need to provide sufficient transparency and reliability,

⁹ Without prejudice to international and Union law, including provisions to protect environment and human health.

¹⁰ The latest Renewable Energy Progress Report issued in June 2015 concluded that the majority of Member States are currently on track to meeting their 2020 renewables target. In 2013, the combined EU share of renewable energy reached 15% and the estimate for 2014 indicates a 15.3% share, which is above the trajectory for the EU as a whole. 26 Member States met their first 2011/2012 interim target and 25 Member States are expected to meet their 2013/2014 target. Some Member States have already reached their 2020 targets. However, as the trajectory towards the 2020 target becomes steeper over the coming years up to 2020, some Member States may need to intensify their efforts to keep on track (COM(2015)293 final and SWD(2015)117 final). Available here: <https://ec.europa.eu/energy/en/topics/renewable-energy/progress-reports>).

predictability and stability to spur renewable energy investments and allow access to low-cost capital. It will also need to enable the EU to compare and monitor progress towards the renewables target. Within the broader context of the development of the Energy Union Governance, it will need to be considered what type of governance system will be able to deliver on these renewable energy objectives.

Given that the renewable energy target for 2030 is binding on the EU as a whole, the European Commission will need to have means to ensure that this target is met in a sustainable and cost-effective way. For this purpose, EU measures could be put in place and be designed to deliver on a number of objectives of the Energy Union:

1. create a market-based environment in which renewables can attract the required investments cost-efficiently;
2. foster regional cooperation and regional projects;
3. empower consumers to deploy cost-optimal renewable energy solutions;
4. incentivise the roll-out of new and innovative technologies; and
5. ensure that any potential gap arising in reaching the at least 27% renewable energy target, in terms of either ambition or delivery, is filled.

A number of questions would arise in this respect, including under what circumstances EU measures could be used or activated, how to share potential costs in a fair and equitable way and how to ensure participation by all Member States.

The experience gained with support schemes so far has allowed developing more cost-effective and market-based support schemes. Some Member State support schemes did not respond sufficiently rapidly to falling technology cost development, which resulted in some cases in unnecessary increasing costs for consumers. The EU Energy and Environment State Aid Guidelines build on this experience and puts down conditions for the approval of State Aid. In this context an improved functioning energy market, with improved price signals, as well as a strengthened EU ETS shall improve the investment signal. At the same time it is reasonable to expect that support schemes and other incentives (financial and regulatory) will still be the main policy tools that Member States will use to implement their renewable energy objectives with respect to renewable technologies that are not yet able to be fully financed by the internal energy market.

For new and innovative technologies, it can be important to ensure that regulatory and market risks are reduced to allow that project promoters can bring down costs through technology learning and industrialisation of manufacturing and installation, in particular if the EU is to become a world leader in renewable energy. However, where possible, some degree of market integration should remain if this goes beyond mere initial technology deployment of innovative technologies, to ensure their development takes into account market needs, does not lead to overcompensation and prepares these technologies for further market integration.

Finally, in line with the broader objectives of the Energy Union, a new regional approach to renewable energy policy cooperation and incentives should be considered.

In this context, it is important to examine the optimal geographical scope and design of any support schemes in order to drive the achievement of the 2030 target in a cost-effective way, which does not lead to fragmentation and distortion of the internal energy market.

It also needs to be assessed how regional cooperation agreements similar to those developed under RED can be improved and could play a role and to what extent support at EU-level could become relevant.

<u>Questions:</u>					
1. To what extent has the RED been successful in helping to achieve the EU energy and climate change objectives?					
Very successful	Successful	Not very successful	Not successful	No opinion	
[Box: Comments. To what extent did implementation measures for the RED as well as external factors (technological development, financial crisis, security of supply concerns and related market interventions) affect the effectiveness and efficiency of achieving the objectives? Please identify and ideally also quantify the direct and indirect costs and benefits such as macroeconomic effects, competitiveness effects, innovation, cost and cost reductions, environmental and health effects of the RED. Max 500 words]					
2. How should stability, transparency and predictability for investors be ensured with a view to achieving the at least 27% renewable energy target at EU level? Please indicate the importance of the following elements:					
	Very important	Important	Not very important	Not important	No opinion
Forward looking strategic planning of RES development is required by EU legislation					
Best practice is derived from the implementation of the existing Renewable Energy Directive					
Regional consultations on renewable energy policy and measures are required					
Member States consult on and adopt renewable energy strategies that serve as the agreed reference for national renewable energy policies and projects					
The Commission provides guidance on national renewable energy strategies					
[Box: Any other view or ideas? Please specify. What are the lessons from the RED (mandatory national targets, national plans, progress reports etc.)? Max 500 words]					
3. Please rate the importance of the following elements being included in Member States' national energy and climate plans with respect to renewable energy in ensuring that the plans contribute to reaching the objectives of at least 27% in 2030.					
	Very important	Important	Not very important	Not important	No opinion
Long term priorities and visions for decarbonisation and renewable energy up to 2050					

<i>In relation to national/regional natural resources, specific technology relevant trajectories for renewable energy up to 2030</i>					
<i>Overview of policies and measures in place and planned new ones</i>					
<i>Overview of renewable energy trajectories and policies to 2050 to ensure that 2030 policies lie on the path to 2050 objectives</i>					
<i>Qualitative analysis</i>					
<i>Trajectories for electricity demand including both installed capacity (GW) and produced energy (TWh)</i>					
<i>Measures to be taken for increasing the flexibility of the energy system with regard to renewable energy production</i>					
<i>Plans for achieving electricity market coupling and integration, regional measures for balancing and reserves and how system adequacy is calculated in the context of renewable energy</i>					

[Box: Please explain. Max 500 words]

4. *What should be the geographical scope of support schemes, if and when needed, in order to drive the achievement of the 2030 target in a cost-effective way?*

- Harmonised EU-wide level support schemes*
- Regional level support schemes (group of Member States with joint support scheme)*
- National support schemes fully or partially open to renewable energy producers in other Member States*
- Gradual alignment of national support schemes through common EU rules*
- National level support schemes that are only open to national renewable energy producers*

[Box: Please explain. Max 500 words]

5. *If EU-level harmonised /regional support schemes or other types of financial support to renewable energy projects would be introduced:*

- *What hinders the introduction at the EU wide and/or regional scale?*
- *How could such mechanism be activated and implemented?*
- *What would be their scope (what type of projects/technologies/support mechanisms could be covered?)*
- *Who would finance them?*
- *How could the costs of such measures be shared in a fair and equitable way?*

[Box: Max 500 words]

6. *The current Renewable Energy Directive gives Member States the possibility to enter into various cooperation mechanisms (statistical transfers, joint projects and/or joint support schemes). Please expand on the possible new legislative and non-legislative measures that could be introduced to foster the development of cooperation mechanisms in the period beyond 2020.*

[Box: Max 500 words]

7. The use of cooperation mechanisms has been limited to date. Which of the below factors do you consider important in explaining the limited recourse by Member States to cooperation mechanisms so far?

	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>Unclear legal provisions</i>					
<i>Administrative complexities</i>					
<i>Lack of cost-effectiveness / uncertain benefit for individual Member States</i>					
<i>Government driven process, not market driven</i>					
<i>Member States reluctant to see their taxpayers/ consumers' money used for investments outside their country</i>					

[Box: Other? Please explain.]

8. How could renewable electricity producers be fully or partially eligible for support in another Member State? Which elements would you include in a possible concrete framework for cross-border participation in support schemes? Any other consideration? Please explain.

[Box: Max 500 words]

9. Please assess what kind of complementary EU measures¹¹ would be most important to ensure that the EU and its Member States collectively achieve the binding at least 27% EU renewable energy target by 2030:

	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>EU-level incentives such as EU-level or regional auctioning of renewable energy capacities</i>					
<i>EU-level requirements on market players to include a certain share of renewables in production, supply or consumption</i>					

¹¹ Without prejudice of the actual funding mechanism, where required, of the complementary EU measures

<i>EU-level financial support (e.g. a guarantee fund in support of renewable projects)</i>					
<i>EU-level support to research, innovation and industrialisation of novel renewable energy technologies</i>					
<i>Enhanced EU level regulatory measures</i>					
<p><i>[Box: Any other ideas or comments, please explain. Max 500 words]</i></p> <p><i>10. The Energy Union Framework Strategy sets the ambition of making the European Union the global "number one in renewables". What legislative and non-legislative measures could be introduced to make/strengthen the EU as the number one in renewables? Has the RED been effective and efficient in improving renewable energy industrial development and EU competitiveness in this sector?</i></p> <p><i>[Box: Please explain. Max 500 words]</i></p>					

2. Empowering consumers

The European Commission's Energy Union Strategy put the consumer at the centre stage. Consumers have a key role to play in energy markets and in driving the transition to a more sustainable energy system in the EU. On 15 July 2015, the Commission issued a Communication on delivering a new deal for energy consumers (COM/2015/339)¹² as well as a guidance document on best practices on renewable energy self-consumption (SWD/2015/141).¹³ In this context, REDII provides opportunities to develop more targeted measures for empowering consumers, including communities and cooperatives¹⁴.

As active participants in the energy market, consumers should be able to self-consume and store renewable energy in the EU.

Provisions on simplified and streamlined procedures on permitting and grid connection in case of projects for self-consumption of renewable energy could be further enhanced.

¹² https://ec.europa.eu/energy/sites/ener/files/documents/1_EN_ACT_part1_v8.pdf

¹³ http://ec.europa.eu/energy/sites/ener/files/documents/1_EN_autre_document_travail_service_part1_v6.pdf

¹⁴ Without prejudice to the EU and international law on the right to access to information, public participation and consultation, as well as access to justice on environmental matters.

The wide-spread development of self-consumption may also require gradual adjustment of retail tariffs to promote consumers' flexibility, while supporting energy efficiency and the renewable energy objectives and at the same time minimise total system costs. The establishment of common principles at EU-level for network tariff design will thus need to be considered.

Renewable energy deployments need also to observe certain rights granted to the public, by international and EU law, such as, for instance, the right to access to information, public participation and consultation, as well as access to justice on environmental matters¹⁵. Thus, contributing to accountability, transparency and public awareness.

The REDII also offers opportunities to foster local ownership of renewable energy (e.g. community and citizen participation in renewable energy cooperatives). It seems particularly important to support local authorities in preparing strategies for the promotion of renewable energy, enable cooperation between relevant actors at the local or municipal level and facilitate access to finance.

Under the RED, a Guarantees of Origin (GO) system provides an EU wide mechanism to inform electricity consumers as to the renewable nature of the electricity that they use, enabling green tariffs to develop but also being criticised for not sufficiently linking these tariffs to real incentives for additional new green energy deployment. It should be assessed to what extent the current rules for electricity disclosure (incl. GO) can be improved to reflect best practice in Member States' implementation and help consumers choose a more sustainable energy consumption pattern.

<u>Questions:</u>					
<i>11. How would you rate the importance of the following barriers for consumers to produce and self-consume their own renewable energy?</i>					
	<i>Very important barrier</i>	<i>Important barrier</i>	<i>Not very important barrier</i>	<i>Not important barrier</i>	<i>No opinion</i>
<i>Self-consumption or storage of renewable electricity produced onsite is forbidden</i>					
<i>Surplus electricity that is not self-consumed onsite cannot be sold to the grid</i>					
<i>Surplus electricity that is not self-consumed onsite is not valued fairly</i>					
<i>Appliances or enabler for</i>					

¹⁵ UNECE Convention on access to information, public participation in decision-making and access to justice in environmental matters (Aarhus Convention), Directive 2011/92/EU, as amended by Directive 2014/52/EU (EIA Directive), Directive 2001/42/EC (SEA Directive).

<i>thermal and electrical storage onsite are too expensive</i>					
<i>Complex and/or lengthy administrative procedures, particularly penalising small self-consumption systems</i>					
<i>Lack of smart grids and smart metering systems at the consumer's premises</i>					
<i>The design of local network tariffs</i>					
<i>The design of electricity tariffs</i>					

[Box: Other? Please explain. Max 500 words]

12. In general, do you think that renewable energy potential at local level is:

- Highly under-exploited*
- Under-exploited*
- Efficiently / fully exploited*
- Over-exploited (i.e. beyond cost-effectiveness)*
- No opinion*

[Box: Other? Please explain. Has the RED been effective and efficient in helping exploiting the renewable energy potential at local level? Max 500 words]

13. How would you rate the importance of the following barriers that may be specifically hampering the further deployment of renewable energy projects at the local level (municipalities and energy cooperatives):

	<i>Very important barrier</i>	<i>Important barrier</i>	<i>Not very important barrier</i>	<i>Not important barrier</i>	<i>No opinion</i>
<i>Lack of support from Member State authorities</i>					
<i>Lack of administrative capacity and/or expertise/ knowledge/information at the local level</i>					
<i>Lack of energy strategy and planning at local level</i>					
<i>Lack of eligible land for projects and private property conflicts</i>					
<i>Difficulties in clustering projects to reach a</i>					

<i>critical mass at local level</i>					
<i>Lack of targeted financial resources (including support schemes)</i>					
<i>Negative public perception</i>					
<i>[Box: Other? Please explain. Max 500 words]</i>					
<i>14. Please rate the appropriateness of stronger EU rules in the following areas to remove barriers that may be specifically hampering the further deployment of renewable energy projects at the local level :</i>					
	<i>Very appropriate</i>	<i>Appropriate</i>	<i>Not very appropriate</i>	<i>Not appropriate</i>	<i>No opinion</i>
<i>Promoting the integration of renewable energy in local infrastructure and public services</i>					
<i>Supporting local authorities in preparing strategies and plans for the promotion of renewable energy</i>					
<i>Facilitating cooperation between relevant actors at the local or municipal level</i>					
<i>Facilitating access to targeted financing</i>					
<i>EU-wide right to generate, self-consume and store renewable electricity</i>					
<i>Measures to ensure that surplus self-generated electricity is fairly valued</i>					
<i>Harmonized principles for network tariffs that promote consumers' flexibility and minimise system costs</i>					
<i>[Box: Other? Please explain. Max 500 words]</i>					

15. *Should the current system for providing consumers with information on the sources of electricity that they consume be further developed and improved?*

[Box: If not, why? If yes, how? Should the current Guarantees of Origin (GO) system be made the mandatory form of information disclosure to consumers? Should other information, such as e.g. CO₂ emissions be included? Should it be extended to the whole energy system and include also non-renewable sources? Other ideas? To what extent has the current GO system been successful in providing consumers with information on the sources of electricity that they consume? Max 500 words]

3. Decarbonising the heating and cooling sector

Renewable heating and cooling can make a real difference for the decarbonisation of the EU economy and enhance EU security of supply. While cost-effective renewable energy equipment is available, 80-90% of the EU heat and hot water production is still using largely imported gas and oil. The RED includes limited provisions for the promotion of renewable heating and cooling. In REDII, more targeted measures could be considered to further increase renewables deployment in the heating and cooling sector, building on and interacting with energy efficiency and security of energy supply legislation. A comprehensive approach could be developed targeting buildings, individual energy use for heating and cooling, and the share of renewable energy in district heating and CHP units.

Efficient ways need to be found to stimulate switching from fossil fuels to renewable heating and cooling and hot water generation in the large number of EU homes with individual heating equipment. The existing nearly-zero energy building (NZEB) standards (mandatory from 2021 for all new building) include obligations for minimum use of renewable energy. It appears however that this is insufficient to further encourage the use of renewables at the building level. It could therefore be considered whether the NZEB rules should be made more ambitious to also include an obligation to use renewable energy heating (including water heating) and cooling in the existing building stock, effective if and when the building is subject to major renovation or the heating system is replaced. Measures will also need to encourage a shift in consumer behaviour, perhaps through better information about renewable energy alternatives from heating equipment suppliers and installers, and encourage investment in energy storage and demand-shifting capacity.

Although district heating systems only cover 13% of the European heat market, in Nordic, Central and Eastern European Member States 50-80% of the heating is produced by district heating. Most of this heating is produced from imported natural gas, followed by coal, and renewables. In these Member States, measures to increase the share of renewable energy in heating and cooling supply could bring significant gains. For example, it could be assessed whether, based on comprehensive assessments of national heating and cooling potentials, energy suppliers could potentially be required to progressively increase the share of renewable energy in the overall energy that is placed on the market for heating and cooling purposes, taken into account the market incentives already available for this sector. It could also be assessed whether all new and significantly upgraded heating and cooling infrastructure should enable at least a certain share of all heating, cooling and hot water needs to be sourced from renewable energy sources produced on site or nearby (through local networks).

The potential for renewable energy in decarbonising the heating and cooling sector will also be addressed within the forthcoming Heating and Cooling Strategy and Security of Energy

Supply proposals, while sustainability aspects will be addressed through the post-2020 EU bioenergy sustainability policy.

<u>Questions:</u>					
16. Please rate the importance of the following barriers in hampering the deployment of renewable heating and cooling in the EU:					
	<i>Very important barrier</i>	<i>Important barrier</i>	<i>Not very important barrier</i>	<i>Not important barrier</i>	<i>No opinion</i>
<i>Real or perceived incoherence in existing EU policies (such as RED, EED and EPBD)</i>					
<i>Lack of administrative capacity and/or expertise/ knowledge/information at the national and local level</i>					
<i>Lack of energy strategy and planning at the national and local level</i>					
<i>Lack of physical space to develop renewable heating and cooling solutions</i>					
<i>Lack of requirements in building codes and other national or local legislation and regulation to increase the share of energy from renewable sources in the building sector</i>					
<i>Heating and cooling equipment installers lack sufficient knowledge or information to offer renewable energy alternatives when asked to replace fossil fuel heating and cooling equipment</i>					
<i>Lack of targeted financial resources and financing instruments</i>					
<i>Lack of definition and recognition of renewable cooling</i>					

<i>Lack of electricity market design supporting demand response, decentralised energy and self-consumption and thermal storage in buildings and district systems</i>					
<i>Lack of mapping tools to identify the resources potential at regional scale with local renewable energy</i>					
<i>Lack of tools and information to compare the lifecycle costs of the various alternative heating and cooling alternatives</i>					
<i>Negative public perception</i>					
<i>[Box: Other? Please specify and explain. Max 500 words]</i>					

<i>17. Please rate the most effective means of addressing these barriers and advancing the decarbonisation of EU heating and cooling supply:</i>					
	<i>Very effective</i>	<i>Effective</i>	<i>Not very effective</i>	<i>Not effective</i>	<i>No opinion</i>
<i>Renewable heating and cooling obligation¹⁶</i>					
<i>Requirement for energy suppliers and/or distributors to inform consumers of the costs of heating and cooling and to offer renewable heating and cooling solutions</i>					
<i>Requirement that all urban and municipal</i>					

¹⁶ ‘Renewable energy obligation’ means a national support scheme requiring energy producers to include a given proportion of energy from renewable sources in their production, requiring energy suppliers to include a given proportion of energy from renewable sources in their supply, or requiring energy consumers to include a given proportion of energy from renewable sources in their consumption.

<i>infrastructure upgrades (energy infrastructures, and other relevant infrastructure, such as sewage water, water and waste chains) make it possible and promote the distribution and use of renewable energy for heating and cooling and hot water generation</i>					
<i>Measures supporting best practices in urban planning, heat planning, energy master planning, and project development</i>					
<i>Criteria and benchmarks for promoting district heating and cooling taking into consideration the local and regional conditions</i>					
<i>Nearly zero-energy building (NZEB) standards to include a mandatory minimum use of renewable energy</i>					
<i>Including systematically renewable energy production in buildings' energy performance certificates</i>					
<i>The promotion of green public procurement requirements for renewable heating & cooling in public buildings</i>					
<i>Heating and cooling equipment</i>					

<i>installers should present renewable energy alternatives when asked to replace fossil fuel heating and cooling equipment</i>					
<i>Develop best practices for enterprises, including SMEs, to integrate renewable heating and cooling into their supply chains and operations</i>					
<i>Requirement to consider renewable energy alternatives in subnational, national, regional or EU security of supply risk preparedness plans and emergency procedures</i>					
<i>Targeted financial measures</i>					

[Box: Other? Please specify and explain. How could such measures be designed? How could they build on existing EU rules? Max 500 words]

4. Adapting the market design and removing barriers

A separate public consultation, which was open during the period 15 July – 8 October 2015, gathered extensive input on a wide range of issues aimed inter alia at making the market design fit for renewables. This section includes complementary questions. Both public consultations will inform policy makers during the development of REDII.

Changes in the market provisions are of utmost importance in order to build a market which is fully fit for renewables. For example, the establishment of liquid and better integrated short-term intraday and balancing markets will help to increase flexibility and help renewable energy producers to integrate in the market and compete on an equal footing with conventional energy producers, while the strengthening of the EU ETS can contribute to reinforce the long term investment environment.

The RED includes obligations to ensure transparent and foreseeable grid development for renewable energy as well as predictable, transparent and non-discriminatory grid connection and access procedures and costs. REDII as well as the Commission's market design initiative

offers opportunities to update and improve these rules to take account of market developments and experience gained. Consideration also needs to be given to dispatch provisions in close connection with the development of the market design initiative.

The on-going evaluation of the Renewable Energy Directive (REFIT) shows that overall progress in removing non-financial barriers to renewable energy deployment in EU Member States is still limited and slow across the EU despite the specific provisions on administrative procedures, regulations and codes for renewable energy projects, requirements to share information and ensure quality of renewable energy training enshrined in the RED. Other studies point towards the same conclusion. It is reasonable to assume that there is therefore a need for more harmonized EU rules in a number of areas, including permitting procedures, spatial and environmental planning and vocational and professional training.

Note should be taken of already existing legal provisions and practice for streamlining and improving permit granting processes, in particular the provisions laid down in Regulation 347/2013 (TEN-E Regulation) and Directive 2011/92/EU (EIA Directive). Given the existing internal energy market, it is important to ensure that streamlining and improving the permitting granting processes is performed in accordance with existing internal EU legislation, as well as with due regard to the principle of subsidiarity and the national competences and procedures enabling renewable energy deployment. More effective and efficient administrative procedures should not compromise the high standards for protection of the environment and public participation. The establishment of a competent authority or authorities integrating or coordinating all permit granting processes ('one-stop-shop') should reduce complexity, increase efficiency and transparency and help enhance coordination among Member States.

<u>Questions:</u>					
18. In your view, which specific evolutions of the market rules would facilitate the integration of renewables into the market and allow for the creation of a level playing field across generation technologies? Please indicate the importance of the following elements to facilitate renewable integration:					
	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>A fully harmonised gate closure time for intraday throughout the EU</i>					
<i>Shorter trading intervals (e.g. 15 min)</i>					
<i>Lower thresholds for bid sizes</i>					
<i>Risk hedging products to hedge renewable</i>					

<i>energy volatility</i>					
<i>Cross border capacity allocation for short-term markets (i.e., some capacity being reserved for intraday and balancing)</i>					
<i>Introduction of longer-term transmission rights (> 3 years)</i>					
<i>Regulatory measures to enable thermal, electrical and chemical storage</i>					
<i>Introduction of time-of-use retail prices</i>					
<i>Enshrine the right of consumers to participate in the market through demand response</i>					
<p><i>[Box: Any other view or ideas? Please specify. Max 500 words]</i></p> <p><i>19. Currently, some exceptions from the standard balancing responsibilities of generators exist for energy from renewable sources. In view of increasingly mature renewable generation technologies and a growing role of short-term markets, is time ready to in principle make all generation technologies subject to full balancing responsibilities?</i></p> <p><input type="checkbox"/> <i>Yes, in principle everyone should have full balancing responsibilities</i> <input type="checkbox"/> <i>No, we still need exemptions</i></p> <p><i>[Box: Please specify: If exemptions remain necessary, please specify if and in which case and why exemptions would still remain necessary (e.g. small renewable producers, non-mature technologies)? Max 500 words]</i></p> <p><i>20. Please assess the importance of stronger EU rules in the following areas to remove grid regulation and infrastructure barriers for renewable electricity deployment:</i></p>					
	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>Treatment of curtailment, including</i>					

<i>compensation for curtailment</i>					
<i>Transparent and foreseeable grid development, taking into account renewable development and integrating both TSO and DSO level and smart technologies</i>					
<i>Predictable transparent and non-discriminatory connection procedure</i>					
<i>Obligation/priority of connection for renewables</i>					
<i>Cost of grid access, including cost structure</i>					
<i>Legal position of renewable energy developers to challenge grid access decisions by TSOs</i>					
<i>Transparency on local grid congestion and/or market-based incentives to invest in uncongested areas</i>					

[Box: Comments and other ideas, including whether there are any consideration concerning gas from renewable energy sources, for instance expansion of gas infrastructure, publication of technical rules, please explain. Max 500 words]

21. Which obstacles, if any, would you see for the dispatching of energy from all generation sources including renewables on the basis of merit order principles? Should there be any exemptions in some specific cases?

- Yes, exemptions are necessary
- No, merit order is sufficient

[Box: Please specify: If yes, in which case and why? What are the lessons from the implementation of RED? Max 500 words]

22. Please assess the importance of stronger EU rules in the following areas to remove administrative barriers to renewable energy deployment:

	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>Creation of a one stop shop at national level to allow for more streamlined permitting procedures</i>					
<i>Online application for permits</i>					
<i>A defined maximum time-limit for permitting procedures, and effective consequences if deadline is missed</i>					
<i>Harmonisation of national permitting procedures</i>					
<i>Special rules for facilitating small-scale project permitting, including simple notification</i>					
<i>Pre-identified geographical areas for renewable energy projects or other measures to integrate renewable energy in spatial</i>					

<i>and environmental planning</i>					
<p><i>[Box: Any other views or ideas? To what extent has the RED been successful in reducing unnecessary administrative barriers for renewable energy projects in the Member States? Please specify. Max 500 words]</i></p> <p>23. <i>Please identify precise challenges with regard to grid regulation and infrastructure barriers in EU Member States that you are aware of.</i></p> <p><i>[Box: Max 500 words]</i></p> <p>24. <i>How would you rate the administrative burden and cost of compliance with the RED for national, regional and local authorities?</i></p>					
	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>Administrative burden</i>					
<i>Cost of compliance</i>					
<p><i>[Box: Please explain. How could the administrative burden and cost of compliance be reduced in the period after 2020? Max 500 words]</i></p> <p>25. <i>Please rate the importance of stronger EU rules in the following areas to remove barriers relating to renewable energy training and certification:</i></p>					
	<i>Very important</i>	<i>Important</i>	<i>Not very important</i>	<i>Not important</i>	<i>No opinion</i>
<i>Incentives for installers to participate in certification/qualification schemes</i>					
<i>Increased control and quality assurance from public authorities</i>					
<i>Understanding of the benefits and potential of renewable technologies by installers</i>					
<i>Mutual recognition of certificates between different Member States</i>					
<p><i>[Box: Comments, other ideas, please explain. To what extent has the RED been successful in reducing unnecessary training and certification barriers in the Member States? Max 500 words]</i></p> <p>26. <i>How can public acceptance towards renewable energy projects and related grid development be improved?</i></p> <p><i>[Box: Max 500 words]</i></p>					

5. Increase the renewable energy use in the transport sector

Decarbonisation and the replacement of fossil fuels is particularly challenging in the transport sector. 94% percent of EU transport relies on oil products, of which 90% is imported and represents a growing share of carbon emissions. Against this background, the October 2014 European Council invited the European Commission to further examine instruments and measures for the transport sector, including the promotion of energy from renewable energy sources.¹⁷

According to European Commission estimates, a significant contribution from renewable transport fuels will be required to meet the overall EU 2030 decarbonisation targets¹⁸. To achieve this, measures will need to be put in place to require an increased market up-take and deployment of sustainable low-carbon biofuels and alternative renewable fuels as well as renewable electricity in battery electric vehicles and hydrogen in fuel cell vehicles.

For example, further use could be made of incorporation obligations, dedicated financing (in particular in the heavy duty transport and aviation industry) and measures to increase access to smart energy services and infrastructure and promote the development of advanced renewable fuels which are not based on food crops. Special care needs to be taken to remove current market distortions and fragmentations of the EU internal market.

Questions:

28. To what extent has the RED been successful in addressing the following EU transport policy objectives?

	<i>Very successful</i>	<i>Successful</i>	<i>Not very successful</i>	<i>Not successful</i>	<i>No opinion</i>
<i>Contribute towards the EU's decarbonisation objectives</i>					
<i>Reduce dependency on oil imports</i>					
<i>Increase diversification of transport fuels</i>					
<i>Increase energy recovery from wastes</i>					
<i>Reduce air pollution,</i>					

¹⁷ The current 10% renewable energy target in the transport sector will not be continued in the period after 2020.

¹⁸ The 2030 Impact Assessment of January 2014 estimated that achieving the agreed 2030 framework objectives would require a contribution of 14-16% renewable energy in transport.

<i>particularly in urban areas</i>					
<i>Strengthen the EU industry and economy competitiveness</i>					
<i>Stimulate development and growth of innovative technologies</i>					
<i>Reduce production costs of renewable fuels by lowering the level of investment risk</i>					
<i>Facilitate fuel cost reduction by integration of the EU market for renewable fuels</i>					

[Box: Any other view or ideas? Please specify. Max 500 words]

29. Please name the most important barriers hampering the development of sustainable renewable fuels and renewable electricity use in transport?

[Please explain, and quantify your replies to the extent possible. Max. 500 words.]

30. Please rate the most effective means of promoting the consumption of sustainable renewable fuels in the EU transport sector and increasing the uptake of electric vehicles:

	<i>Very effective</i>	<i>Effective</i>	<i>Not very effective</i>	<i>Not effective</i>	<i>No opinion</i>
<i>Increased use of certain market players' obligations at Member State level</i>					
<i>More harmonised promotion measures at Member States level</i>					
<i>The introduction of certain market players' obligations at the EU level</i>					

<i>Targeted financial support for deployment of innovative low-carbon technologies (in particular to the heavy duty transport and aviation industry)</i>					
<i>Increased access to energy system services (such as balancing and voltage and frequency support when using electric vehicles)</i>					
<i>Increased access to alternative fuel infrastructure (such as electric vehicle charging points)</i>					
<i>[Box: Any other view or ideas? Please specify. Max 500 words]</i>					