
CORPORATE GIANTS URGE EU TO BACK 35% RENEWABLES TARGET

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A coalition comprising some of the worlds biggest companies has urged EU energy ministers to back a 35% target for renewable energy when they meet in Brussels next Monday (18 December).

A strong investment signal is key to further positioning industries with large investment potential in supporting Europes clean energy goals, write the signatories of the declaration, which includes big corporate names like Amazon, Microsoft, Ikea, Unilever, Dupont and Philips.

Signatories of this declaration therefore urge member states to support a renewable energy target of at least 35% by 2030, they write in a letter published on Wednesday (13 December).

The appeal was launched by corporate groups including the RE100, a coalition of multinational companies committed to 100% renewable electricity, and the World Business Council on Sustainable Development (WBCSD).

It comes ahead of a key Council meeting next Monday, where EU energy ministers will discuss a proposed target to source 27% of the blocs energy from renewable sources by 2030.

The coalition argues that the 27% target is too timid to spur investment in renewable energies and have called instead for ministers to back a 35% target, in line with European Parliament proposals.

We believe that the post 2020 Renewable Energy Directive can deliver this target by ensuring stable and predictable national deployment policies and securing existing investments, they write.

Renewable energy goal not on the table at EU ministerial

Energy ministers from the 28 EU member states are expected to steer clear of potentially divisive talks on the blocs renewable energy target for 2030 in order to agree a general approach when they meet in Brussels next Monday (18 December).

The signatories are brought together under the RE-Source Platform, a coalition pushing for greater corporate sourcing of renewable energy in Europe, relying on guarantees of origin.

Crucially, the coalition has called on ministers to lift regulatory barriers to the development of corporate renewable power purchase agreements (PPAs), which they claim can play a key role in the clean energy transition.

Corporate PPAs enable large energy consumers in the IT, chemicals, heavy industries and other sectors, to secure a supply of clean electricity at a competitive price, the coalition writes. They

also provide financial certainty for renewable energy providers and are therefore increasingly relevant as renewables become exposed to market dynamics.

Leading companies engaging in such contracts must be able to credibly trace where their electricity comes from, the group writes in the letter, calling for an effective Guarantee of Origin system.

WindEurope, a trade association which is among the founders of the RE-Source Platform, believes corporate PPAs can be a game changer for clean energy and bring multiple benefits.

First, they facilitate investment for utility-scale projects and thus help to bring new and additional renewable capacity online. Second, they provide projects with a stable income stream.

Last year, 1.5 GW of renewable energy capacity was supplied to corporates under PPAs, says WindEurope, up from 74 MW just four years ago – a majority of which is in wind energy.

Policymakers must seize this opportunity to make them viable throughout Europe, WindEurope wrote in a recent opinion article.

Corporate PPAs: A game changer for clean energy

Companies like Google, Norsk Hydro and Facebook are increasingly turning to corporate renewable Power Purchase Agreements (PPAs) as a secure, reliable and competitive source of power from clean energy sources, writes Malgosia Bartosik.

Critics

But guarantees of origin also have their critics.

Ole Lofsnaes, from the Federation of Norwegian Industries, stresses that there is no actual link between the physical electricity bought on the market and the GOs that are delivered.

An energy supplier offering 100% renewable electricity can simply buy GOs on the market to prove it, but the actual electricity delivered will still come from the power plants in the country the consumer lives in. If these power plants run on coal, the consumer will end up with coal-fired power, GOs or not, Lofsnaes wrote in an opinion piece for EURACTIV.

The GO system has also been criticised for having little impact, leading to little or no extra generation of renewable electricity, according to Jaap Jansen a non-resident fellow at the Centre for European Policy Studies (CEPS), a Brussels think tank.

The current legislation of the GO instrument leads to an oversupplied GO market and a double-counting problem, Jansen wrote in a July policy paper, arguing for a reform of the system to address these weaknesses.

Guarantees of origin as they exist today is largely greenwash, summed up Claude Turmes, a Green MEP from Luxembourg, during a recent EURACTIV debate.

In fact, the environmental credibility of GOs is largely dependent on the organisations performing the audit. Sam Kimmins, head of RE100 at the Climate Group, said GOs are simply an accounting system.

In terms of trust, the claims by all our members are checked by the Carbon Disclosure Project, he told participants at a recent EURACTIV debate. And we have very rigorous standards.

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