

# Governance barriers to energy transition in Europe

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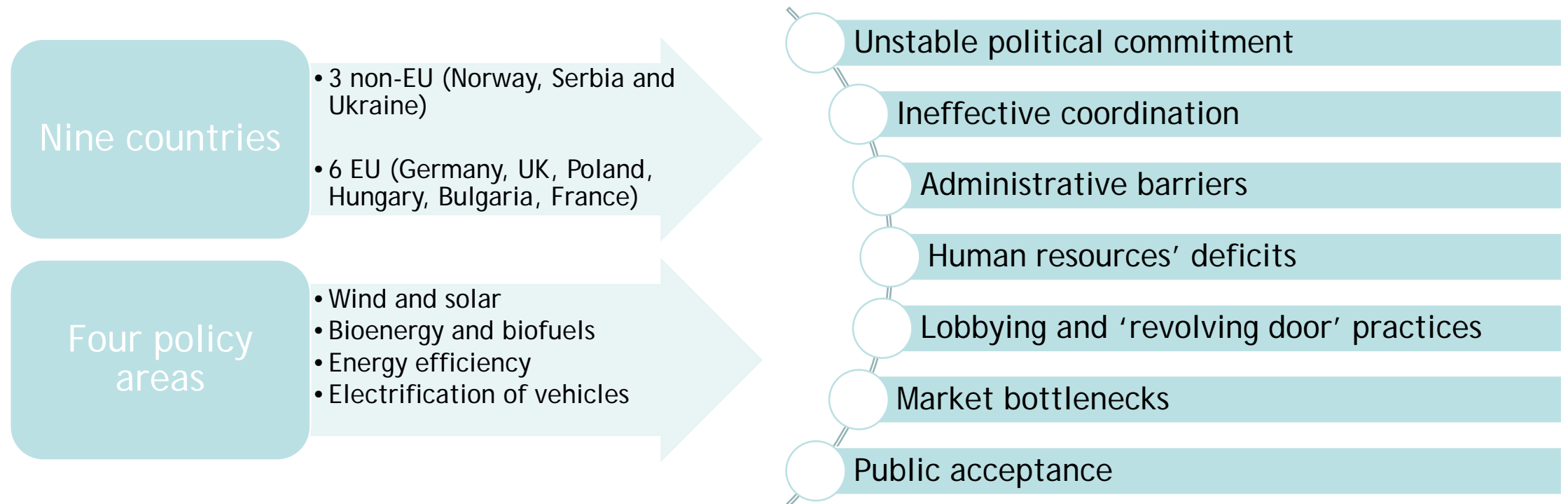
PRESENTATION



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# Governance challenges to energy transition in Europe



*(Based on ENABLE.EU research framework, data and findings)*

	Development of clean energy sources, e.g. RES	<b>Price of energy, socially acceptable and affordable</b> for all people	Energy efficiency of private and public buildings	Power, gas and heating prices should be regulated by the government consistent with the living standards in the country	Power markets should be fully liberalized, so that energy prices are dependent only on the market	Phasing-out nuclear power plants (if any)
Bulgaria	<b>29.8%</b>	<b>82.6%</b>	44.0%	58.3%	<b>18.0%</b>	<b>6.6%</b>
France	56.5%	54.3%	38.7%	47.5%	14.4%	<b>28.4%</b>
Germany	<b>60.9%</b>	<b>95.3%</b>	33.9%	<b>26.0%</b>	N.A.*	N.A.*
Hungary	44.0%	53.5%	<b>25.7%</b>	50.5%	16.1%	14.2%
Poland	49.0%	73.2%	42.2%	<b>60.7%</b>	14.9%	N.A.*
Serbia	40.7%	69.3%	<b>29.0%</b>	<b>63.0%</b>	<b>22.6%</b>	N.A.*
Ukraine	50.1%	75.8%	34.7%	<b>62.0%</b>	<b>19.1%</b>	21.5%
United Kingdom	<b>64.8%</b>	74.8%	<b>54.0%</b>	51.8%	15.9%	<b>23.9%</b>
<b>Average</b>	<b>49.5%</b>	<b>72.3%</b>	<b>37.8%</b>	<b>52.5%</b>	<b>17.3%</b>	<b>18.9%</b>

Source: Nationally representative survey of households, ENABLE.EU project, Oct 2017 - Feb 2018

\* N.A. = not asked

## Unstable political commitment

- Prevailing issue in all nine countries
- “Stop-and-go” approach in governance
- Delayed important regulations and bylaws on national level
- Support for carbon-intensive energy sources due to social or economic reasons

### Effects:

- Complex regulatory framework
- Low transparency
- Ineffective division of responsibilities and jurisdictions

## Ineffective coordination

- Bottom-up and decentralized character of community energy
- Top-down and centralized EU and national RES policies
- Need for coordination between municipal, regional and national levels

### Effects:

- Ineffective RES support framework
- Fragmentation of competences and funds

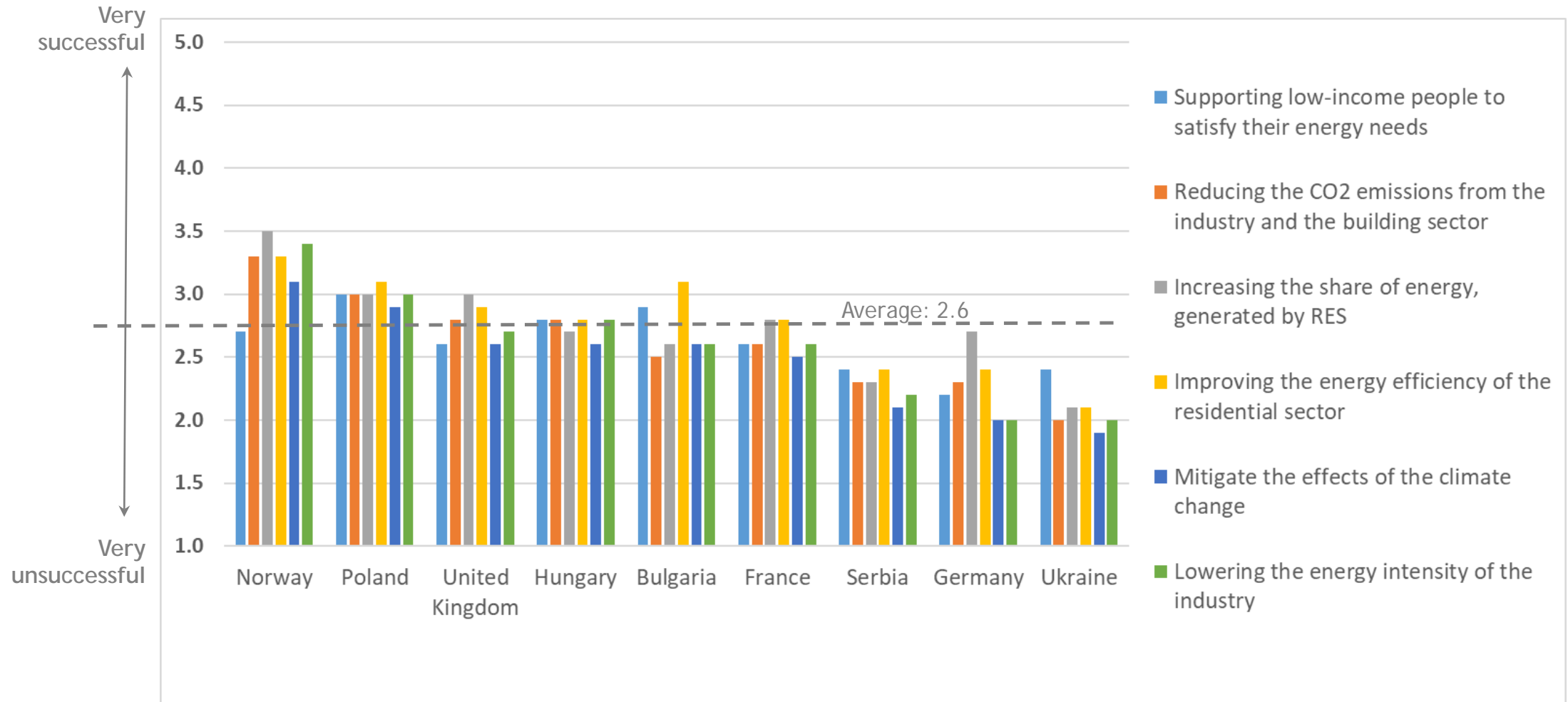
## Administrative barriers

- Poorly designed regulatory framework
- Overlapping administrative procedures
- Lack of 'one-stop-shop' services

### Effects:

- Procedural and administrative bottlenecks in RES policies' implementation
- Private-user investment untrustworthiness
- Political favoritism

# Citizens' assessment of the effectiveness of national policies



## Human resources' deficits

- Shortage of qualified HR in public administration in all countries
- Consumers' lack of experience in developing commercial projects, particularly in CEE
- (Politically-motivated) employment turnover

### Effects:

- Low administrative capacity
- Low quality of governance
- Decisions driven by private political and business interests

## Lobbying and 'revolving door' practices

- Strong old-energy lobby
- Revolving door practices, dominated by old-energy industries (except NO)

### Effects:

- Active support for old-energy industries
- Domination of big-business' interests

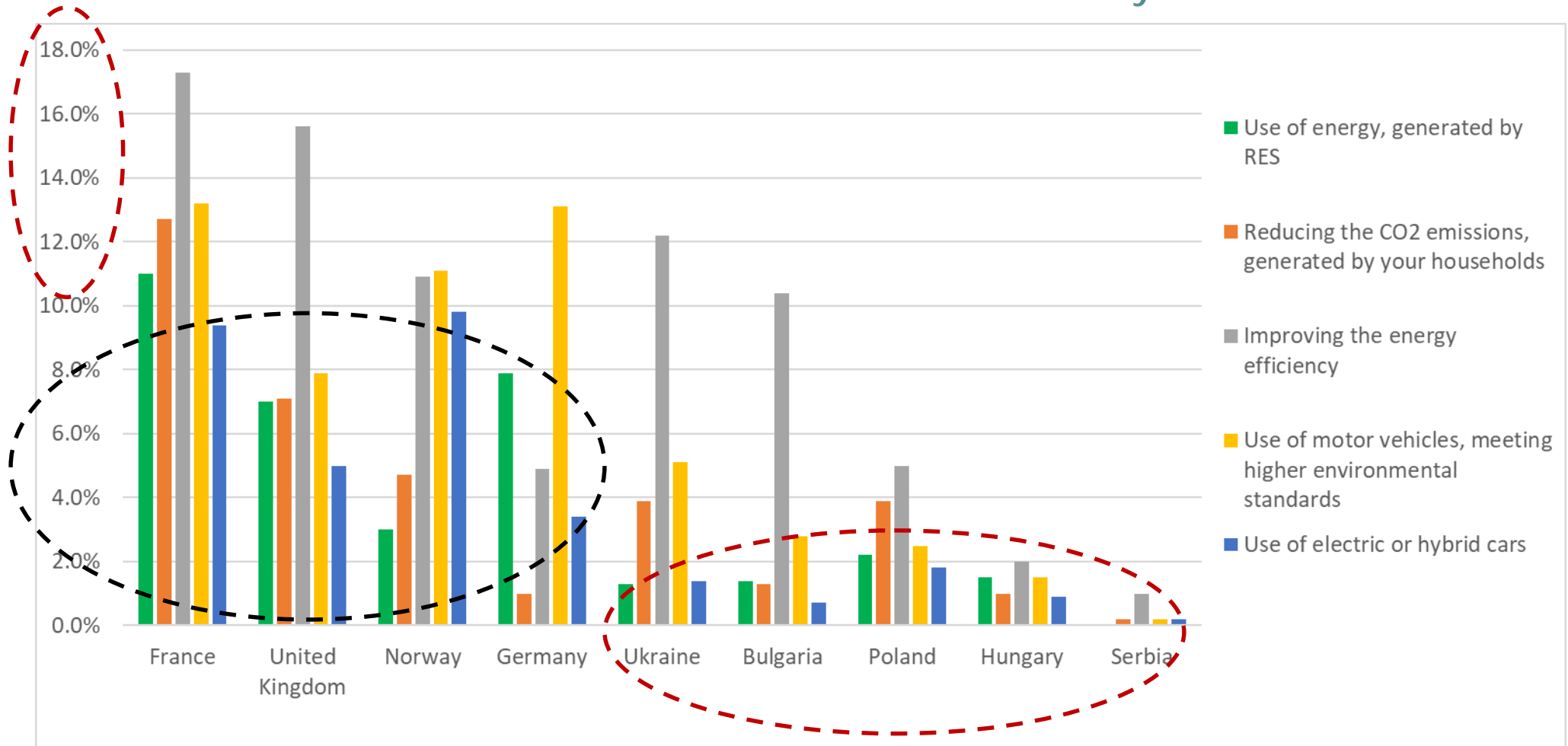
## Market bottlenecks

- Delayed market liberalization
- Natural monopolies on energy markets
- Delayed or lacking implementation of RES support mechanisms
  - High costs of administrative procedures

### Effects:

- Limited profitability for prosumers
- Public support hijacked by private interests
- Investment insecurity

## Use of public funded programs, subsidies or financial incentives for implementing measures in the households over the last 3 years



Source: Nationally representative survey of households, ENABLE.EU project, Oct 2017 - Feb 2018

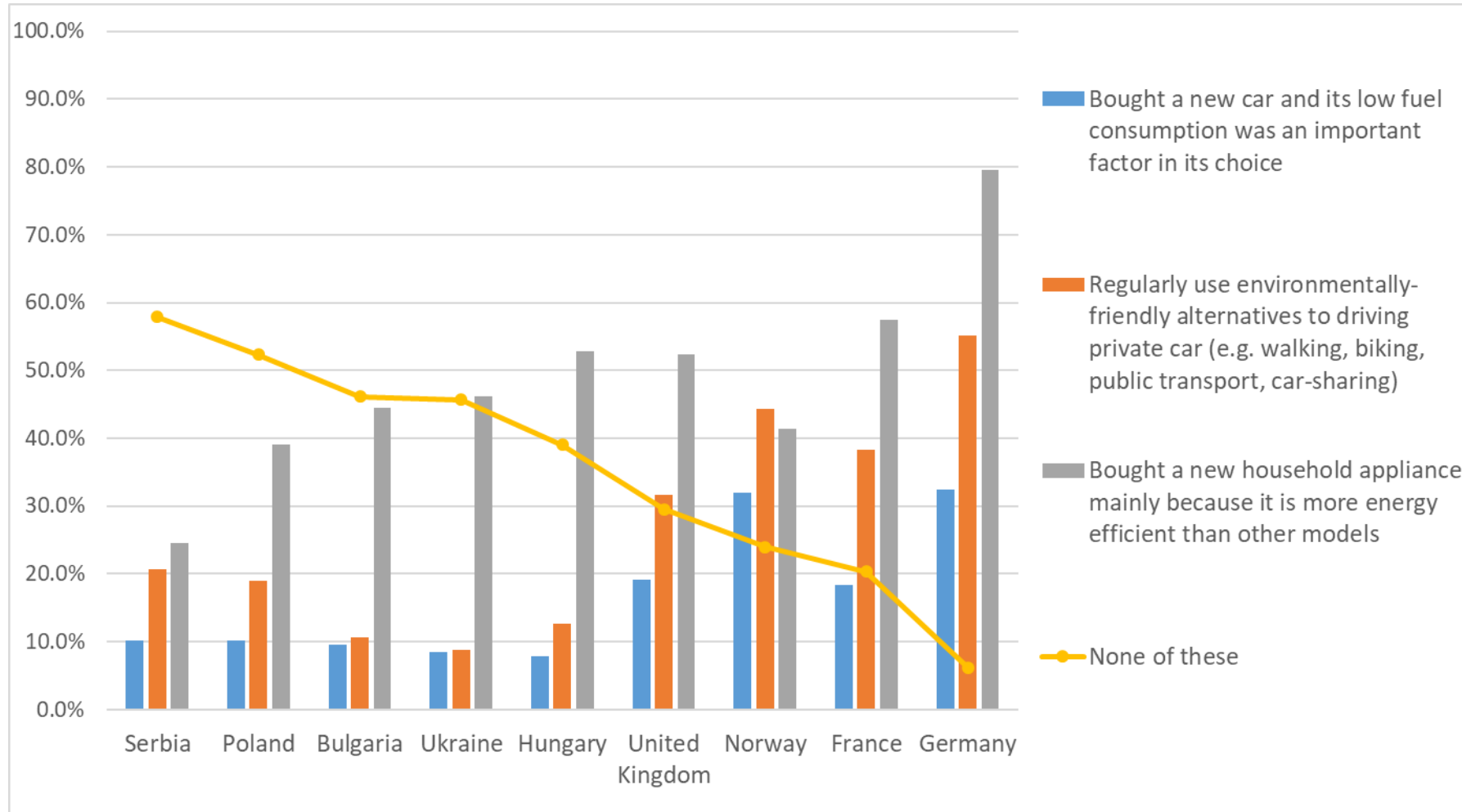
## Public acceptance

- Lack of critical mass supporting energy transition goals
- Room for political populism
- Opaque reforms and inconsistent political commitments
- Strong relations to affordability issues

### Effects:

- Largely missing incentives and drivers for shift in individual behavior
- Weak public pressure on government institutions

## Individual choices



Source: Nationally representative survey of households, ENABLE.EU project, Oct 2017 - Feb 2018

## Energy security implications of governance challenges

- Regulatory framework
  - Governance deficits hampering the effective enforcement even if the proper regulatory framework is put in place
  
- Markets integration and liberalization
  - Lack of consensus on common energy security issues at the expense of separate national or business interests
  
- Affordability of energy transition
  - Inclusive and affordable energy can't benefit yet large groups of European citizens

## Recommendations

- ✓ Ensure stronger bottom-up approach and wider stakeholders' involvement
- ✓ Ensure permanent improvement of human resources
- ✓ Introduce new policy monitoring instruments beyond NECPs, NREAPs, etc. to grasp also quality of governance factors
- ✓ Link directly SET-Plan priorities to the 2030 and 2050 framework
- ✓ Ensure stronger links in the planning and implementation of ESIF programmes on national level to the 2030 and 2050 frameworks' targets and priorities
- ✓ Mitigate affordability issues by focusing on individual and community level incentives and by avoiding abuse of public spending

# Thank you!

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