



REST OF THE EUROPEAN UNION (EU - 27)

The remaining European Union members not profiled individually in this report account for \$14.3 billion in clean energy investments in 2010. All members have agreed to source 10 percent of their electricity from renewables by the end of 2010 and committed to reducing their emissions to at least 20 percent below 1990 levels by 2020. The cuts could be as deep as 30 percent depending on pledges from other developed nations. Several EU members also have domestic feed-in tariffs and green certificate programs. That is why private investment in clean energy assets grow by at least 20 percent over the next decade. With enhanced policies, annual private investments in these countries could double by 2020. In the enhanced policy scenario, the cumulative investment potential in the rest of the EU over the next decade is projected as \$216 billion, which would leverage installation of 110 GW of renewable energy generating capacity.

Across the continent, the European Investment Bank (EIB) has played a key role in the sector, increasing its support from \$2.2 billion in 2008 to \$4.2 billion last year. Meanwhile, the EU affords developers the benefits of a free economic trade zone but also allows financiers to enter the smaller markets while enjoying currency stability and financial support from the EIB and stronger EU nations.

Each EU member state is expected to have its own National Renewable Energy Action Plan in place and as of mid-November 2010 four out of the required 27 documents were still missing. Among the smaller nations that did submit plans, many in Eastern Europe said they plan to make

heavy use of biomass burning to meet their clean energy goals.

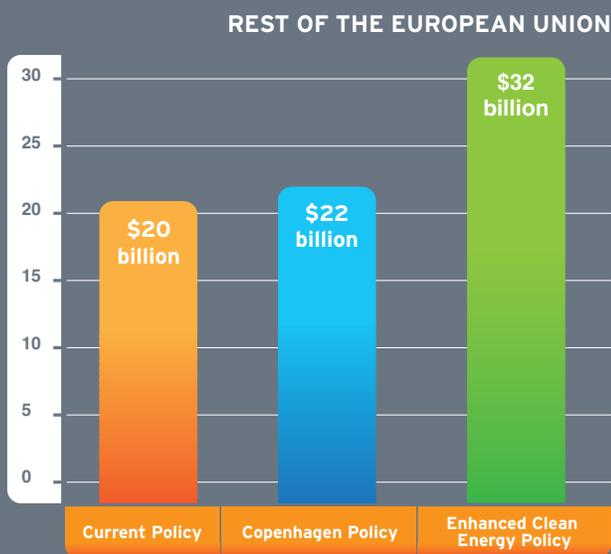
More recently the EU has begun to sharpen its legislative focus on energy efficiency policies. In its Energy Strategy 2020, published in November, 2010, the EU Commission said member states had not yet gone far enough in legislating to meet a non-binding target of a 20% reduction in primary energy use compared with projected levels by 2020. It urged members to focus on implementing efficiency policies in existing building stock and the transport sector, and alluded to a possible revision of the EU energy taxation directive as well as improved standards for efficiency in industry and leadership from the public sector. This should be achieved through the introduction of legislation at the EU level over the next 18 months.

While challenging each country to set a domestic plan is laudable, the EU could seek a more regional approach if it hopes to make best use of existing natural resources, regardless of their location. One way to foster best use could be to establish improved cross-border trading of clean energy and regional renewable electricity standards that apply across borders.

Finally, more locally, all members would do well to focus on very small-scale incentives, such as tariffs and simple connection procedures for distributed generation, smart metering programs, preferential mortgages for homeowners who install renewable energy systems, and net metering programs for utilities.



FIGURE 39. INVESTMENT IN RENEWABLE ENERGY ASSETS, 2020 (BILLIONS OF \$)



NATIONAL CLEAN ENERGY POLICIES	
Carbon Cap	✓
Carbon Market	✓
Renewable Energy Standard	✓
Clean Energy Tax Incentives	✓
Auto Efficiency Standards	✓
Feed-in Tariffs	✓
Government Procurement	✓
Green Bonds	✓

FINANCE AND INVESTMENT (2009)*	
Total Investment	\$21.2 billion
G-20 Investment Rank	N/A
Percentage of G-20 Total	19%
5-Year Growth Rate	81%

INSTALLED CLEAN ENERGY (2009)	
Total Renewable Energy Capacity	34.7 GW
Total Power Capacity	N/A
Percentage of G-20 Total	12%
5-Year Growth Rate	12%
Key Renewable Energy Sectors	
Wind	N/A
Solar	N/A
Biomass	N/A

KEY CLEAN ENERGY TARGETS	
Renewable Power	10% of total electricity consumption by 2010

KEY INVESTMENT INCENTIVES	
Portugal	Green certificates, preferential loans, investment grants
Greece	Feed-in tariffs, tax incentives
Netherlands	Green premiums, investment subsidies
Spain	Feed-in tariffs

*Includes investments in venture capital and public markets, and asset finance for all clean energy technologies including biofuels and energy efficiency.