



A coal-fired power plant in Gelsenkirchen, Germany

## **Industry, politicians spooked by EU plans to end priority dispatch**

by Bernd Radowitz in Berlin

The European renewables industry and politicians are alarmed about a plan by the European Commission to all but end the priority for renewables in the grid as part of an upcoming new Renewable Energy Directive.

A draft of the directive seen by *Recharge* states that “dispatching of power generation facilities and demand response shall be non-discriminatory and market based.”

It continues that member states may give renewables priority in their grids only for small installations of less than 500kW or demonstration projects. That would exclude all commercial wind, and larger PV plants from the priority dispatch.

In member states where RE accounts for more than 15% of installed generating capacity, priority dispatch would no longer be permitted. This would hit in particular countries like Germany, where non-hydro renewables already make up a large share of power output.

Any exceptions according to the draft could only be granted by the EC after informing all member states before taking a decision, which in practice could mean that Eastern European countries (ie. Poland) still clinging to fossil power may veto policies of more green-minded neighbours (ie. Germany).

Industry group WindEurope urges the commission to provide compensation or other access routes for green energy if it really were to put away with priority grid access for RE.

“If priority dispatch is removed for new projects, renewables must have access to remuneration in the balancing markets or clear rules on compensation in times of curtailment. It’s too early to say whether such a provision would impact on new installations or investments,” WindEurope spokesman Oliver Joy tells *Recharge*.

The solar industry fears relying only on market-based tools is too early and would lead to a curtailment of solar.

“Priority dispatch and priority access are still very important for solar integration in the system. Removing these principles means that you accept to let coal run instead of solar and wind when the grid is congested. This goes against any logic,” says Christophe Arnaud, policy advisor at SolarPower Europe.

“Penalizing decentralized, zero-marginal costs and flexible sources of electricity such as solar sends the wrong signals for investments in the energy transition.”

Politicians in Germany, which would be severely hit by the change, are outraged by the EC's apparent plans.

"Abolishing priority dispatch in the new EU Renewable Energy Directive would be a delicate setback for the expansion of renewable energies in Europe and a turnaround in energy policies back to fossils," Eva Bulling-Schröter, energy spokeswoman for the opposition Left Party in Germany's parliament, told Recharge.

"The priority dispatch is a compensation for disadvantages compared to fossil energy sources that have enjoyed climate damaging subsidies for many years, and until today. "

Her colleague at the Green Party, Julia Verlinden, thinks the EC wants to end priority dispatch in order to favour coal and nuclear power once again over renewables.

German energy minister Sigmar Gabriel at the WindEurope conference in late September had said his government would oppose an end to priority dispatch, but so far Berlin doesn't seem to have put its foot down in Brussels.

WindEurope adds that it is concerned the EC might even consider putting away with priority dispatch for already existing installations, which could be disastrous as the downfall of retroactive changes to support systems in countries like Spain has shown.

"Crucially, we must ensure that priority dispatch remains for existing assets and that it is not removed as this would signal a retroactive policy change," Joy says.

"It would have played a significant part in the original investment decision. Investor confidence is vital to ensure continued investment and deployment in renewables such as wind."