

EVALUATION OF THE SUCCESS OF PROMOTION STRATEGIES FOR RENEWABLES

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The promotion of Renewable Energy Sources (RES) has a high priority in the energy policy strategies of many countries world-wide.

In Europe the *White Paper on Renewable Sources of Energy* and the *Directive on the promotion of electricity from RES*, published by the European Commission, set challenging goals to double the share of renewables in the energy mix of EU countries from 6% in 1996 to 12 % by 2010. An important initiative to meet this target is the Campaign-for-take-off. This is a typical strategy aiming to bring together local energy policy measures and international policy targets.

The great importance of decentralised energy supply strategies focusing on RES is due to the considerable expected associated benefits, namely:

- reduction of greenhouse gas emissions;
- increases in local employment and income;
- avoided risks of disruption in fossil fuel supply and avoided associated price instability
- provision of infrastructure and economic flexibility by modular, dispersed and smaller scale technologies;
- enhanced local tax revenues;

The major conclusions derived from this analysis are:

Most important is that measures contribute to both, increases in customers WTP on the one hand and reduction of the (monetary and transaction) costs for customers on the other hand. Fig. 1 depicts these effects in a traditional supply and demand diagram.

In detail there are the following key factors for successful dissemination strategies of decentralised renewables:

- 1) Provide a minimum of a financial incentive that allows to fully exhaust customers WTP;
- 2) Improve the market: Ensure that the competitiveness and the transparency of the system market as well as of the Green electricity market (e.g. by means of a power content label) is enhanced;
- 3) Ensure credibility and continuity of the strategy over time and sustainable growth of the industry;
- 4) Strive for a guaranteed technical performance and an increase of standardisation of the technology;
- 5) Try to make the programme a social event and to address the public as well as the mass-media;
- 6) Strive for setting the correct regulatory conditions from societies point-of-view! Remove barriers for access to the grid and introduce environmental pricing;
- 7) Minimise the costs for the public! Strive for low administration and transaction costs and minimal financial public support to reach a certain RES capacity;
- 8) Provide comprehensive detailed and targeted information for the potential programme participants.

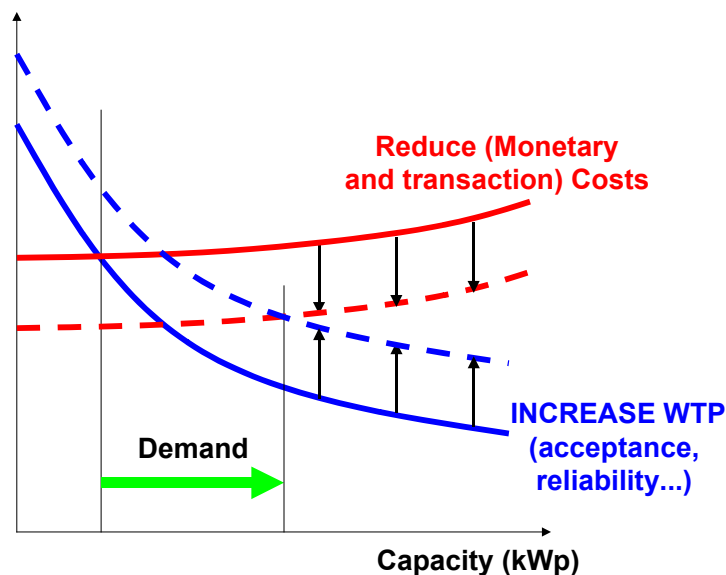


Figure 1 How enhancements in customers WTP and decreases in costs influence the demand for RES