Renewable energy projects - permit-granting processes & power purchase agreements

**Introduction**

**BACKGROUND FOR THIS CONSULTATION**

An overhaul of the energy system, which accounts for more than 75% of the EU’s greenhouse gas emissions and is still dominated by fossil fuels, will be needed to achieve the ambition of the European Green Deal. In particular, such overhaul will be needed to reach the EU’s increased climate target for 2030 and the objective of climate-neutrality by 2050, while tackling biodiversity loss, pollution and resources depletion. An integrated energy system largely based on renewable energy plays a central role in the successful implementation of this EU flagship initiative.

With the proposal for a revision of the Renewables Directive, the Commission sets out its aim of doubling the share of renewables in the energy mix compared to 2020, so as to reach at least 40% in 2030. The current pace of project deployment will need to accelerate significantly to meet the needed capacity increase on time.

However, permit-related and other administrative barriers constitute a major bottleneck for the deployment of renewable energy due to regulatory complexity, uncertainty and lengthy procedures, which discourage investors, delay projects and make them more expensive. Barriers also hamper the development of renewable Power Purchase Agreements (PPAs), which should become a major driver for increased market-based renewables deployment in the coming years.

**What is the purpose of the guidance?**

The 2018 Renewable Energy Directive (RED), with a transposition deadline of 30 June 2021, already introduced new requirements on permit application and granting procedures for all renewable projects, and required the Member States to identify and remove unjustified barriers to long-term renewable PPAs. However, the transposition and implementation of the relevant articles may present a challenge for the relevant authorities. Furthermore, industry stakeholders have identified additional permit-related barriers outside the scope of the RED and have requested clarification of the regulatory provisions concerning administrative procedures relating to project preparation and sharing of best practice, which could guide the permitting authorities in applying the procedures.

While the majority of renewables deployed are still driven by publicly-funded support schemes, the number of renewable PPAs with corporates is increasing significantly and should become a major driver for more
market-based renewables deployment in the coming years. A more complex set of long-term contracting options will be used by renewable projects, based on public support, on PPAs taking a variety of forms, or on a combination of both. Although Member States were required to report and remove any barriers to these renewable PPAs in their national energy and climate plans, only eight Member States have done so.

The planned guidance will highlight the most pervasive permit-related and administrative barriers to renewable energy projects as well as general challenges in the transposition of the relevant articles of the Renewable Energy Directive, and showcase corresponding good practice examples. It will also highlight the remaining bottlenecks preventing PPAs from achieving their full potential to deliver additional renewables generation capacity; and to provide good-practice examples/solutions in this regard.

What is the purpose of this consultation?

This questionnaire aims to collect views on permitting and Power Purchase Agreements from renewable energy producing companies, energy communities, and branch organizations, as well as public authorities, citizens and companies (including SMEs), as well as other relevant energy stakeholders. The questionnaire is divided into the following three sections:

- Accelerating permit procedures for renewable energy projects – questions to public authorities
- Accelerating permit procedures for renewable energy projects – questions to project promoters and associations
- Facilitating Power Purchase Agreements

You may choose to respond to either of these sections, or to all.

How can I participate?

You can complete this questionnaire on the Commission website up to 12 April 2022. Please use the buttons at the bottom of each part of the questionnaire (on permits and on PPAs) to upload feedback in other document formats.

A synopsis report of this public consultation and a summary of all consultation activity results will be published on this page at the end of the consultation period.

RESPONDING TO THIS CONSULTATION AND FOLLOW-UP

In line with ‘better regulation’ principles, the Commission is launching this public consultation designed to gather stakeholder views on good practices designed to accelerate permit-related procedures for renewable energy projects and to facilitate Power Purchase Agreements.

This public consultation is part of a planned larger stakeholder consultation which will feed into the Commission’s work on the guidance. Views are welcome from all stakeholders.

Please note: To ensure a fair and transparent consultation process only responses received through our online questionnaire will be taken into account and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact ENER-C1-SECRETARIAT-1@ec.europa.eu.

About you
Language of my contribution
- Bulgarian
- Croatian
- Czech
- Danish
- Dutch
- English
- Estonian
- Finnish
- French
- German
- Greek
- Hungarian
- Irish
- Italian
- Latvian
- Lithuanian
- Maltese
- Polish
- Portuguese
- Romanian
- Slovak
- Slovenian
- Spanish
- Swedish

I am giving my contribution as
- Academic/research institution
- Business association
- Company/business organisation
- Consumer organisation
- EU citizen
- Environmental organisation
- Non-EU citizen
☐ Non-governmental organisation (NGO)
☐ Public authority
☐ Trade union
☐ Other

* First name

Lucie

* Surname

Lochon

* Email (this won't be published)

lucie.lochon@external.totalenergies.com

* Organisation name

255 character(s) maximum

TotalEnergies SE

* Organisation size

☐ Micro (1 to 9 employees)
☐ Small (10 to 49 employees)
☐ Medium (50 to 249 employees)
☐ Large (250 or more)

Transparency register number

255 character(s) maximum

Check if your organisation is on the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making.

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* Country of origin

Please add your country of origin, or that of your organisation.

☐ Afghanistan
☐ Åland Islands
☐ Djibouti
☐ Dominica
☐ Libya
☐ Liechtenstein
☐ Saint Martin
☐ Saint Pierre and Miquelon
Albania
Algeria
American Samoa
Andorra
Angola
Anguilla
Antarctica
Antigua and Barbuda
Argentina
Armenia
Aruba
Australia
Austria
Azerbaijan
Bahamas
Bahrain
Bangladesh
Barbados
Belarus
Belgium
Belize
Benin
Bermuda
Bhutan
Bolivia
Dominican Republic
Ecuador
Egypt
El Salvador
Equatorial Guinea
Eritrea
Estonia
Eswatini
Ethiopia
Falkland Islands
Faroe Islands
Fiji
Finland
France
French Guiana
French Polynesia
French Southern and Antarctic Lands
Gabon
Georgia
Germany
Ghana
Gibraltar
Greece
Greenland
Grenada
Guatemala
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Ireland
Israel
Italy
Jamaica
Japan
Jordan
Kazakhstan
Kenya
Kiribati
Korea
Kuwait
Kyrgyzstan
Laos
Latvia
Lebanon
Liberia
Libya
Liechtenstein
Lithuania
Luxembourg
Madagascar
Malawi
Malaysia
Maldives
Mali
Malta
Marshall Islands
Martinique
Mauritania
Mauritius
Mayotte
Mexico
Micronesia
Moldova
Monaco
Mongolia
Montenegro
Montserrat
Morocco
Mozambique
Myanmar/Burma
Namibia
Nauru
Netherlands
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
Norfolk Island
Northern Mariana Islands
North Korea
North Macedonia
Norway
Oman
Pakistan
Palestine
Panama
Paraguay
Peru
Philippines
Pitcairn Islands
Poland
Portugal
Qatar
Romania
Russia
RWANDA
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
San Marino
São Tomé and Príncipe
Saudi Arabia
Senegal
Serbia
Seychelles
Sierra Leone
Singapore
Sint Maarten
Slovakia
Slovenia
Solomon Islands
South Africa
South Georgia and the South Sandwich Islands
South Korea
South Sudan
Spain
Sri Lanka
Sudan
Suriname
Svalbard and Jan Mayen
Sweden
Bonaire Saint Eustatius and Saba
Bosnia and Herzegovina
Botswana
Bouvet Island
Brazil
British Indian Ocean Territory
British Virgin Islands
Brunei
Bulgaria
Burkina Faso
Burundi
Cambodia
Cameroon
Canada
Cape Verde
Cayman Islands
Central African Republic
Chad
Chile
China
Christmas Island
Clipperton
Guadeloupe
Guam
Guatemala
Guernsey
Guinea
Guinea-Bissau
Guyana
Haiti
Heard Island and McDonald Islands
Honduras
Hong Kong
Hungary
Iceland
India
Indonesia
Iran
Iraq
Ireland
Isle of Man
Israel
Italy
Jamaica
Nauru
Nepal
Netherlands
New Caledonia
New Zealand
Nicaragua
Niger
Nigeria
Niue
Norfolk Island
Northern Mariana Islands
North Korea
North Macedonia
Norway
Oman
Pakistan
Palau
Palestine
Panama
Papua New Guinea
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Peru
Switzerland
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Taiwan
Tajikistan
Tanzania
Thailand
The Gambia
Timor-Leste
Togo
Tokelau
Tonga
Trinidad and Tobago
Tunisia
Turkey
Turkmenistan
Turs and Caicos Islands
Tuvalu
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
The Commission will publish all contributions to this public consultation. You can choose whether you would prefer to have your details published or to remain anonymous when your contribution is published. For the purpose of transparency, the type of respondent (for example, ‘business association, ‘consumer association’, ‘EU citizen’), country of origin, organisation name and size, and its transparency register number, are always published. Your e-mail address will never be published.

Opt in to select the privacy option that best suits you. Privacy options default based on the type of respondent selected.

**Contribution publication privacy settings**

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.
Anonymous

Only organisation details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published as received. Your name will not be published. Please do not include any personal data in the contribution itself if you want to remain anonymous.

Public

Organisation details and respondent details are published: The type of respondent that you responded to this consultation as, the name of the organisation on whose behalf you reply as well as its transparency number, its size, its country of origin and your contribution will be published. Your name will also be published.

* Which renewable energy technology do you work with/represent? (multiple choice)

- [ ] Wind onshore
- [ ] Wind offshore
- [ ] Ground-mounted PV
- [ ] PV rooftop
- [ ] Ocean energy
- [ ] Biomass
- [ ] Hydropower
- [ ] Geothermal
- [ ] Ambient heat
- [ ] Other

* In which markets are you active (for companies/legal persons)/where are you from (for physical persons)?

- [ ] Austria
- [ ] Belgium
- [ ] Bulgaria
- [ ] Croatia
- [ ] Cyprus
- [ ] Czechia
- [ ] Denmark
- [ ] Estonia
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Sweden
Countries outside of the EU

* Please specify (countries outside of the EU)

* Do you represent:
  □ A renewable energy community within the meaning of the Renewable Energy Directive (Art. 2(16) and Art. 22)?
  □ A citizen energy community within the meaning of the Electricity Directive (Art. 2 (11) and Art. 16)?
  □ Another type of energy community – please specify
  □ An individual or collective self-consumer of renewable energy
  □ None of these

☑ I agree with the personal data protection provisions
Which part(s) of the questionnaire do you want to fill in?

- Permitting - questions to public authorities
- Permitting - questions to project promoters and associations
- Questions on Power Purchase Agreements

Permits for renewable energy projects

**To project promoters and associations**

6. What are the key barriers that have prevented your project(s) from materialising in the last 5 years, if any? (Please rank their importance, 1 being the most important)

<table>
<thead>
<tr>
<th>Length of administrative procedures</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>no opinion</th>
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</thead>
<tbody>
<tr>
<td>Complexity of the applicable requirements or procedures</td>
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<tr>
<td>Lack of clarity on the applicable authority(-ies) with whom to coordinate each required permit</td>
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<tr>
<td>Regulatory changes impacting the business case</td>
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<td>Lack of access to capital/finance due to uncertainty</td>
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<td>Target conflicts with environmental regulations</td>
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<tr>
<td>Land or sea conflicts with aviation or defence-related activities</td>
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<tr>
<td>Land or sea conflicts with other users (e.g. farmers, fishermen)</td>
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<tr>
<td>Lack of public acceptance / conflict between public goods</td>
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<td>1</td>
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<tr>
<td>Court proceedings</td>
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<tr>
<td>Lack of political support</td>
<td></td>
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<tr>
<td>Grid connection issues linked to lack of available grid capacity</td>
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<tr>
<td>Grid connection issues linked to reserved but unused capacities</td>
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<tr>
<td>Other grid connection issues (e.g. cost, unclear rules, technical issues) – please specify</td>
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<tr>
<td>Other</td>
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</tbody>
</table>

* Please specify (Grid Connection Issues)
8. What good practices (if any) have you encountered in the areas of simplified permit-related and administrative procedures? (can be EU/national or international)

9. Has any of your renewable or electricity infrastructure projects been classified as being of “overriding public interest” as defined in Article 6(4) of the Habitats Directive?

10. Are you planning lifetime extension, repowering (as defined in Art 2(10) of the Renewable Energy Directive) or decommissioning of your installations in the next 5 years?

11. If applicable: what is the main driver behind your decision to repower? (select top 3)
Simplified permit procedure taking into account only the additional elements of the repowered installation

Lower cost than dismantling

Other

12. What do you see as the main constraint or barrier to repowering? (select top 3)  
   at most 3 choice(s)
   ✓ Lack of a suitable regulatory framework to simplify permit for repowering
   ✓ Lack of a business case
   ✓ Restrictions related to grid capacity
   ✓ Lack of social acceptance / conflict between public goods
   ☐ (Additional) construction or spatial planning procedures
   ✓ (Additional) environmental assessment needs
   ☐ Other
   ☐ No opinion

13. What bad practices (if any) have you encountered in the areas of permit application/granting and administrative procedures specifically for repowering?  
   500 character(s) maximum
   - Failure to respect the timelines established by national regulations.
   - Discrepancies in criteria between regions or countries.
   - No real visibility of line capacity saturations.
   - Important difficulties to access to the grid.
   - Inconsistent regulatory regime: Renewable energy projects are often slowed down or even blocked, due to restrictive or unclear national regulations.

14. What good practices have you encountered in the areas of permit application/granting and administrative procedures specifically for repowering, if any? (can be EU/national or international)  
   500 character(s) maximum
   - Elimination of building permits in some regions for self-consumption.
   - Simplification of administrative authorizations for self-consumption.
   - Taxes rebate for self-consumption.
15. What regulatory changes at EU or national level, if any, would be beneficial to create a more supportive framework for combined technology power plants (e.g. wind combined with solar), or renewable energy power plants combined with an electrolyser for renewable hydrogen production or a storage facility?

500 character(s) maximum

- Simplify the self-consumption procedures.
- Implement a system accessible to the public that provides a real overview of the available capacity of electricity lines.
- Have "guidelines" to frame discussions with the local authorities in charge of the administrative files and avoid uncertainty about the level of requirements and therefore the cost for the developer.
- Authorize the possibility to combine Tariffs (H2 tariff and PPA).
- Simplify and accelerate the permitting process.

16. What bad practices (if any) have you encountered in the area of early public involvement and public participation (including financial participation) in renewable energy projects?

500 character(s) maximum

- Lack of preparation of the authorities (no preparation of consenting or permitting, no grid securitization or surveys undertaken...)
- Regulatory stages of consultation too numerous and long
- Lack of coordination between the instructing services
- Limitation in urban planning
- No launch of support mechanisms in some territories such as ZNI
- Long duration of procedure (no respect of deadline by the administrative services, blocking files, low resources in the administration...)

17. What good practices, if any, have you encountered in the area of early public involvement and public participation (including financial participation) in renewable energy projects?

500 character(s) maximum

- Upfront preparation by the Authorities and dialogue prior to launching the tenders leading to stronger public acceptance
- Early public involvement (e.g. deep maritime planification) leading to a better site selection and anticipation of conflicts
- Governments raising public awareness on the added value and benefits of renewable energy and endorsing renewable projects as overriding public interest
- A single jurisdiction for the arbitration of appeals
- Support in the interface with the TSO

18. What bad practices of public authorities, if any, have you encountered in spatial planning, helping developers in identifying suitable sites?

500 character(s) maximum
- Lack of support of co-activities (OFW and fishing, agri-PV, hybrid projects)
- Lack of qualified human resources to support renewable energy processes and lack of knowledge about technology barriers
- Surface area limitations for project development
- Moratoriums on building permits
- Absence or unprecise marine spatial planning leading to inorganized development of offshore wind projects and not allowing to correctly anticipate the potential conflicts of cohabitation between activities

19. What good practices of public authorities, if any, have you encountered in spatial planning, helping developers in identifying suitable sites?

500 character(s) maximum

- Adoption of spatial plan prior to launching tendering process.
- Detailed spatial plan ensuring good site selection for developers.
- Increased number of staff to process an increasing number of projects.
- Extensive environmental and site characterization surveys.
- Interface and communication with impacted administrations like defense, airports, fishermen, etc.

20. What good practices, if any, have you encountered in the area of multiple use of space for renewable energy projects?

500 character(s) maximum

- Clear regulation in terms of cohabitation, financial compensation and dialogue bodies
- Political support and government’s programs to work with relevant stakeholders to enable the deployment of projects through an appropriate solution for each party
- Adequate planification leading to a better anticipation of multiple use of space, and solutions to achieve it successfully
- Launch of renewable projects considering other users at a very early stage (e.g. fishermen for offshore wind projects)

21. In the countries where you operate, has (maritime) spatial planning helped developers in identifying and securing suitable sites?

- Yes
- No

How?

500 character(s) maximum

- Better site selection
- Better identification of installed capacity targets and deployment schedule
- Better certainty, transparency and predictability of investment

22. Do you/your company/your organisation have further comments on accelerating permitting of renewable energy projects?

1000 character(s) maximum

- Better site selection
- Better identification of installed capacity targets and deployment schedule
- Better certainty, transparency and predictability of investment
In most European countries, the current heavy and tedious administrative procedures and regulatory frameworks that prevail are totally incompatible with the Fit for 55 ambitions, and even less with the RePowerEU goals to emphasize and accelerate them (Read full comment in the attached document).

Facilitating Power Purchase Agreements

23. Which of the below best describes your situation:
- I am involved in PPAs as a seller of electricity
- I am involved in PPAs as a purchaser / off-taker of electricity
- I am involved in PPAs as an intermediary or facilitator (e.g. utility, trader, network operator)
- I am involved in several of these activities
- I am not involved yet but I am planning to do
- I am not involved and I am not planning to be (anymore).

24. What is/was the main driver behind your willingness to engage in PPAs?

at most 3 choice(s)
- [ ] Hedging electricity price over the mid to long term
- [ ] Secure power over the mid to long term
- [ ] Demonstrating the purchase of renewable energy for disclosure purposes
- [ ] Need to find new forms of revenue stabilisation as public support decreases
- [ ] Other

25. What is the main barrier you have encountered when entering into PPAs?

at most 3 choice(s)
- [ ] Market prices volatility or market price uncertainty in general
- [ ] Lack of transparency and information on PPA prices
- [ ] Restrictions from publicly-funded support schemes preventing sellers from offering attractive PPAs terms
- [ ] Length of preparing ad hoc documentation and contracts and lack of template / standard agreements
- [ ] Administrative or regulatory barriers specific to PPAs
- [ ]
Lack of possibility to combine the PPA with a Guarantee of Origin or other certificates

- Lack of possibility to book capacity (physical or financial) across bidding zones
- Variable generation profile of renewable energy sources
- Lack of facilitative platforms supporting the matching of sellers with interested off-takers; lack of aggregation options
- Difficulty finding off-take volumes beyond the largest corporates
- Low credit worthiness of off-takers
- Duration of the PPA typically not matching the tenor of the debt required for project financing
- Other

Please specify (Other)

The biggest difficulty is related to the integration of the generation into the final supply of the customer, as the costs related to this integration are market dependent and not predictable in the long term (whereas PPAs should be). This is a hindrance for the final customer who does not know the risks that a PPA will generate in his electricity supply profile.

26. Have you encountered any good practices in relation to solving the barriers listed in question [21] above?

500 character(s) maximum

To date, there are no economic restrictions on PPA activity. The market suffers from a mismatch between a very high demand and a too low volume of available supply. To remedy this, the urgency lies more in the possibility of developing new capacities.

27. What regulatory changes (in current EU legislation or national-level legislation), if any, would you consider most important to foster the deployment of corporate PPAs in Europe in the next few years?

500 character(s) maximum

- Credit support mechanism for non-bankable buyers.
- Energy banking" system for small consumers on a time frame other than hourly (monthly) that allows smaller BtoB customers to have access to PPAs.
28. Which form of **financial support** (including debt or guarantee instruments) would you consider most effective in fostering the deployment of corporate PPAs in Europe in the next few years?

*500 character(s) maximum*

The main difficulty in establishing PPAs is the difficulty in being able to develop new capacity within a reasonable timeframe.

To have a more liquid market, Corporate PPAs would benefit from an enhancement mechanism to the credit quality of the medium and small off-takers to be able to sign bankable long-term contracts. Indeed, Mid-market customers may not be fully investment grade in order to be able to access long term CPPAs. Some form of credit support for this sector could be beneficial.

29. Do you/your company/your organisation have any further comments on facilitating Power Purchase Agreements?

*1000 character(s) maximum*

Read full comment in the attached document.

Please upload your file(s)

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

a826b1f6-460d-477f-ab65-2b3813652e81/Facilitating_PPA_-_TotalEnergies_comments.pdf

Contact

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