



CURRENT RENEWABLE ENERGY POLICY

In each of the three regions, *electricity from renewable sources* is promoted mainly through a quota system based on the trade of certificates. As for these schemes, national TSO Elia has the obligation - when renewable electricity generators wish so - to purchase green certificates at a minimum price set by law for certain renewable electricity generation technologies. Note that the regional certificate schemes are based on a framework set by the federal government, but may have region-specific features including the level of quotas set. Region-specific complementary support measures include:

- Brussels: investment support to companies and households, net metering (small PV), RES obligations in new public buildings, an overall RES volume target and a RES share target for 2020
- Flanders: an ecological premium, net metering (small PV)
- Wallonia: investment support to companies and public-sector organisations, net metering (small PV). Investment support concerns eligible CHP installations using biogas or (solid) biomass, eligible installations using solar energy including the Quali watt programme for PV only, hydro power and onshore wind.

As for *renewable heating and cooling*, the federal government provides support to companies investing in technologies producing renewable heat and/or cooling by way of a tax deduction measure and indirect measures such as applicable RD&D programmes. Region-specific complementary support measures include:

- Brussels: an overall RES volume target and a RES share target for year 2020; support to a voluntary national certification body RESCert; subsidies for installation of solar water heaters and heat pumps
- Flanders: a renewable heating quota scheme; obligation to use renewable heat in schools and public office buildings; premiums to be granted by network operators and municipalities; support to a national certification body RESCert; training programmes for installers of heat pumps and PV installations
- Wallonia: building obligation to use renewable heat for certain new buildings and existing buildings with a floor area greater than 1000 m²; investment support to companies and public-sector organisations; a zero-percent interest loans programme; applicable RD&D programmes support to a national certification body RESCert; training programmes for installers of heat pumps and PV installations, investment subsidies biogas and biomass CHP installations, biomass heating plants, aerothermal, geothermal as well as solar thermal installations.

Promotion of *the use of renewables in transportation* is the competence of the federal government. The main instrument is a renewable transportation fuels quota scheme. This instrument is applicable to biofuels only. The law governing the renewable transport quota scheme obliges companies that sell gasoline E5 or E10 or bio-diesel to satisfy a defined volume of sustainable biofuels within the calendar year concerned. The defined volume relates to the total energy volume of transport fuels sold by the respective companies. Furthermore, two fiscal stimulation measures are in place:

- A reduction of the excise tax on automotive fuels in proportion to the share of biofuels in automotive fuels
- A full exemption on the excise taxes for automotive fuels, applicable to rapeseed oil directly sold by manufacturers thereof to the final consumers.

OVERVIEW OF MAIN SUPPORTING POLICIES

The main RES support measures are epitomized in Table 1 below, applied by the Belgium federal government and/or in (at least one of) the three regional administrations. Note that all these measures are currently in place.

Table 1: Overview of support schemes to promote renewable energy

	REGULATORY POLICIES								
	Feed-in tariffs	Feed-in premiums 1)	Tenders	Quota obligation with Tradable Green certificates	Quota obligation without Tradable Green certificates	Net-metering/ net-billing	Investment subsidies	Tax credits mechanisms	Soft loans
RES-E									
- Offshore wind		x	x	X					
- Onshore wind				X			x		
- Solar PV		x		X		x	x		
- Hydro				X			x		
- Geothermal				X			x		
- Solid biomass				X			x		
- Biogas				X			x		
RES-H/C									
- Solar thermal							x		x
- Geothermal							x		x
- Biomass							x		x
- Biogas							X		x
- Small scale installations, e.g. solar thermal collects, heat pumps, biomass boilers and pellet stoves							X		x
- Others, i.e. aerothermal, hydrothermal							X		x
RES-T									
- Bio gasoline					x			X	
- Biodiesel					x			X	

1) Formally no feed-in tariffs and premiums whatsoever are in place in Belgium. But the public service obligations imposed on TSO Elia and DSOs to grant technology-specific minimum payments to operators of renewable electricity generation installations if the latter desire so, boil down to feed-in premiums in the case on offshore wind and certain medium and large scale PV installations.

Sources: RES-Legal Europe (2017), EurObserv'ER, GSR/REN21

Table 2: Overview of instruments used at present

Instrument	Description
Feed-in premiums	Guaranteed premium during the support contract period on top of revenues from electricity sales: the guaranteed minimum certificate price granted by Elia works out as a feed-in premium for offshore wind and medium and large PV projects.
Tendering	Applied in offshore wind sub-sector
Renewable quota scheme, certificates-based	Obligation upon electricity suppliers to surrender on the settlement day of the current year a number of certificates corresponding to a pre-set minimum share of their annual sales volume last year.
Net metering	Possibility for an operator of a small roof-top PV installations to settle electricity fed into the grid in the course of a calendar year at the retail electricity tariff (including taxes and surcharges) up to a maximum level, i.e. the aggregated volume of electricity absorbed by the operator concerned from the grid during the same calendar year.
Tax credits scheme	Renewable heating & cooling installations in buildings are eligible for an exemption from property tax for building owners.
Biofuels quota scheme	Importers/suppliers of transport fuels are subject to a renewable quota scheme for biofuels. Compliance based on sample testing rather than certificates-based. No (direct) incentives for other alternative transport fuels.

For further information:

CEER, 2017. Status Review of Renewable Support Schemes in Europe.

http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/Electricity/2017/C16-SDE-56-03%20Status%20Review%20RES%20Support%20Schemes.pdf

EEA, 2017 <http://www.eea.europa.eu/data-and-maps/daviz/actual-res-progress-indicative-trajectory-2>

Eurostat, 2017. Energy from renewable sources. http://ec.europa.eu/eurostat/statistics-explained/index.php/Energy_from_renewable_sources

REN21, Global Status Report 2017 http://www.ren21.net/wp-content/uploads/2017/06/170607_GSR_2017_Full_Report.pdf

IEA/IRENA Joint Policies and Measures database
<https://www.iea.org/policiesandmeasures/renewableenergy/?country=Belgium>

Member State Progress Report, available at the Renewable Energy pages of the European Commission, <http://ec.europa.eu/energy/en/topics/renewable-energy>

RES Legal database, <http://www.res-legal.eu/search-by-country/belgium/>

What is meant by ...?

Auctions for granting renewable energy support	An auction is a process of granting production or investment support to renewable energy projects based on the lowest bids by eligible project developers.
Feed-in tariff (FiT)	A support scheme which provides for a technology-specific remuneration per unit of renewable energy payable to eligible renewable energy producers. A proper, periodic review of FiT rates is often undertaken with the aim to prevent both too high FiTs so as to minimise regulatory rents, i.e. supra-normal returns and too low FiTs to preclude below-target market uptake because of FiT levels that are perceived by market participants to be less attractive. In addition, feed-in tariffs often include "tariff depression", a mechanism according to which the price (or tariff) ratchets down over time.
Feed-in premium (FiP)	A scheme which provides for a support level per unit of renewable energy to eligible renewable energy producers, typically for a period of 10-20 years, at a pre-set fixed or floating rate. The premium is typically adjusted periodically to exactly offset change in the average energy wholesale market price, based on a pre-specified benchmark market price. A floating FiP may move freely or may only be allowed to move within a pre-set interval.
Grants	Grants are non-repayable funds disbursed by one party (grant makers), often a government department, corporation, foundation or trust, to a recipient, often (but not always) a non-profit entity, educational institution, business or an individual. (Source: Wikipedia.org)
Green public procurement	In Green public procurement contracting authorities take environmental issues into account when tendering for goods or services. The goal is to reduce the impact of the procurement on human health and the environment. (Source: Wikipedia.org)
Renewable quota scheme (RQS)	A RQS mandates certain market actors (typically retail suppliers or large energy end-users) to respect a pre-set minimum share or amount of their total energy procurements from renewable sources of energy. Typically a tradable green certificate (TGC) scheme is operated to enable the obligated parties to prove their compliance with the prevailing renewable quota target by means of TGCs.
Sliding feed-in-tariff	A FiT scheme which pre-sets technology-specific declining feed-in tariffs for certain prospective vintages in line with the technology-specific learning curve, as projected by the National Regulatory Agency (NRA). Often a depression rate is used indicating the %/annum decrease in the rate level.
Soft loans	Loans at concessional (below market-based) terms, for example at sub-market-conform interest rates, made available in several Member States to stimulate certain renewable energy technologies.
Tax credits	These are amounts a tax paying entity is allowed to deduct when declaring payable taxes, for example company tax or income tax, to the tax authorities, for example the producer tax credits (PTCs) used in the United States to stimulate among others wind energy deployment.

Disclaimer

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