

Support schemes for renewable energy in the EU

In recent years, the rapid development of renewable energy has been observed. However, large-scale production of renewable energy, especially at the initial stage, is not possible without state support. The European Union is one of the world leaders in the development of renewable energy. Therefore, the experience accumulated by the EU in the field of stimulating the development of renewable energy is extremely important for many countries, in particular, for Ukraine.

One of the most common types of stimulation of energy generation from renewable energy sources (RES) is the use of Feed-in-Tariff (FiT) [1]. The essence of this instrument is that for a certain period of time, a guaranteed, higher price in the form of a fixed tariff is set for electricity produced on the basis of RES and supplied to the grid by households or companies.

Another type of support is the Feed-in-Premium model (FiP) [1]. This model involves the introduction of a “green” premium to the market price instead of a fixed payment, as in the case of FiT.

Also, in the EU, a system of mandatory quotas and trade in “green” certificates is used to stimulate the development of renewable energy [1]. “Green” certificate is a document that confirms the amount of electricity from RES.

Recently, tenders or auctions for the support of renewable energy have become increasingly common in the EU [1]. The developer who offers the lowest price for his products is declared the winner of such auctions.

In addition to these support schemes, investment support, low-interest loans, tax exemptions, and some others are used in the EU to stimulate energy generation from RES [1].

The paper of Del Rio [2] is devoted to the study of the efficiency of auctions. The author notes that the effectiveness of auctions largely depends on the design of the auction.

Therefore, the main conclusion that can be drawn by analyzing the experience of EU countries in the field of stimulating the development of renewable energy is the presence of a trend towards market support mechanisms. The FiT incentive model is gradually being replaced by the FiP model, as well as holding auctions for the support of renewable energy.

1. *Held A., Ragwitz M., Gephart M., Erika de Visser, Klessmann C.* Design features of support schemes for renewable electricity. — 2014.
https://ec.europa.eu/energy/sites/ener/files/documents/2014_design_features_of_support_schemes.pdf
2. *Del Rio P.* Designing auctions for renewable electricity support. Best practices



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