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Framing the Europeanization footprint: a follow-up of the EU renewable electricity directive and its impact in Spain

Israel Solorio

Institut Universitari d'Estudis Europeus

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Israel Solorio

israel.solorio@iuee.eu

Abstract

It is widely known that Europeanization has gained considerable ground in European studies. Since the late 1990´s, it has enjoyed an important expansion in order to assess the effectiveness of the European-level policies at the domestic level. In this process energy policy has played a very paradoxical role, being persistently excluded from the Europeanization research agenda even though its growing importance in the EU policy-making. However, the reality is that, in spite of having being recently recognized as an EU area with the Lisbon Treaty enforcement, it has also been influenced, directly or indirectly, by Europeanization effects. As a result, energy policy has been considered as a "very special case" of Europeanization, leading so far to the construction of a sector-characterized European energy policy. In this context, this paper intends to explain the Europeanization of national energy policies by framing the EU performance by means of its environmental competence. More explicitly, this research deals with the nature of the Community regulation in the renewable electricity area as an Europeanization mechanism with a special focus on its impact in Spain. This paper argues that (1) the European fight against climate change has opened a path for EU participation in energy policy; and that (2) although limited this process is producing some changes in national energy policies.

Universitat Autònoma de Barcelona
Edifici E-1
08193, Bellaterra
Barcelona (España)

0. Introduction[1]

It is widely known that Europeanization[2] has gained considerable ground in European studies. Since the late 1990´s, it has enjoyed an important expansion in order "to assess the effectiveness" of the European-level policies at the domestic level (Vink and Graziano 2007: 3). Thus, the studies about the effects of European integration had gained prominence in a period in which the EU competences "had significantly increased" (Haverland 2007: 64), gradually covering a wide range of policy areas. In this process energy policy has played a very paradoxical role. Actually, even when the last decade has seen a growing importance given to energy issues in the EU policy-making (Henningsen 2008, Nilsson et al 2009, Zapater 2009), this area of public policy has been, except for a few studies (Andersen 1993, 1999, 2000), persistently excluded from the Europeanization research agenda.

The absence of energy policy is easily explained since it has traditionally been an area of national concern, attracting consequently "little scholarly attention among analysts in the EU" (Matláry 1995: 1). However, the reality is that, in spite of having being recently recognized as a formal EU area with the Lisbon Treaty enforcement, it has been influenced, directly or indirectly, by the effects of Europeanization. As a result, energy policy has been considered as a "very special case" of Europeanization (Andersen 2000: 133), leading so far to the construction of a European sector-characterized energy policy as reflected in the article 194 of the Lisbon Treaty on energy (Zapater 2009: 58). Nevertheless, we still have very limited knowledge about the influence of EU performance in national energy policies.

Climate change has been, undoubtedly, one of the main drivers for the EU's growing participation in energy policy (Henningsen 2008). In consequence, this environmental concern has created a path for energy policy Europeanization as shown in the Spring European Council of 2007, where member states recognized that the production and use of energy are main sources of greenhouse gas emissions, incorporating thus "[the] environmental sustainability and [the] fight against climate change" as one of the

[1] Paper presented in the Conference "European Energy Policy: The Environmental Dimension" held in the *Universitat Autònoma de Barcelona* and organized by the *Institut Universitari d'Estudis Europeus*.
[2] In this paper Europeanization is understood as "*the domestic adaptation to European regional integration"* (Vink and Graziano 2007: 7).

threefold objectives adopted in the "Action Plan (2007-2009) Energy Policy for Europe (EPE)" (European Council 2007: 11). Furthermore, in order to face global warming, the EU developed as a strategy an integrated approach between energy and climate policies. This process reached an upper stage last year and provided the green light to the "Climate action and renewable energy package".

In this context, this paper intends to explain the Europeanization of national energy policies by framing the EU participation by means of its environmental performance. More explicitly, this study deals with the nature of the Community regulation in the renewable electricity area as an Europeanization mechanism with a special focus on its impact in Spain. To pursue its goal, the text is organized in five sections. The first section exposes the manner in which the environmental policy turned into an opportunity for EU performance in energy policy. The second section deals with the Europeanization dynamics of change. In the third section the directive 2001/77/EC is analyzed as the first Europeanization mechanism explicitly aimed at developing renewable energy and its successor as well, the new renewable energy directive. The fourth section follows a case-study on the impact of Community legislation on renewable electricity in the Spanish energy policy. Finally, a concluding section is presented to shed some light on the domestic impact in national energy, and the perspective generated by the recently-adopted legislative package and the Lisbon Treaty enforcement.

1. The environmental policy as an opportunity for EU performance in energy policy

Since the EU is an incomplete system and in permanent evolution (Fajardo 2005: 27, Martin y Perez 2002: 348), there was the possibility to open several institutional gaps to replace the lack of EU legal capacity in the energy area (that the EU faced until the Lisbon Treaty enforcement). In effect, the environmental policy became in a path for EU energy performance. It is worth to say that until the Single European Act entry into force, in 1987, the Community lacked of an explicit environmental competence. Hence its rapid expansion and institutionalization is remarkable. Thereby, to explain the environmental policy characteristics that favoured the Community participation in the

energy sector, it is important to analyze its objectives, the decision-making process and its horizontal integration process.

In relation with its objectives, article 174 of the TEC (191 with the Lisbon Treaty revision) established that "Community policy in the environment field shall contribute to pursuit the following objectives: preserving, protecting and improving the quality of the environment, protecting human health, prudent and rational utilisation of natural resources, promoting measures at international level to deal with regional or worldwide environmental problems [and in particular combating climate change (included with the Lisbon Treaty)]". In light of this, these objectives could directly be related with energy policy opening a window of opportunity for the EU to benefit from the flexibility of the competence system with the aim to intervene in this field; mainly in order to promote the environmental sustainability and fight against climate change.

On the other hand, article 175 TEC (192 with the Lisbon Treaty revision) established that the regular procedure for decision-making is codecision, reinforcing, in this way, the Community dynamics and the European Parliament influence in the legislative process. In parallel, the exigency of the qualified majority in the Council limits the possibility of blocking the Commission's initiatives. Nevertheless, to link its environmental competence with the participation in energy policy, the EU has to overcome the exception included in article 175 TEC (192 with the Lisbon Treaty revision). It establishes that "[b]y way of derogation from the decision-making procedure provided [...], the Council, acting unanimously on a proposal from the Commission and after consulting the European Parliament, the Economic and Social Committee and the Committee of the Regions, shall adopt: measures significantly affecting a Member State's choice between different energy sources and the general structure of its energy supply".

One last factor that favoured the EU intervention in energy policy lies in the horizontal character of the environmental policy. Since the entry into force of the Maastricht Treaty, the article 6 of the TEC (article 11 with the Lisbon Treaty revision) contains the integration principle as a guiding objective of the EU (Lenschow 2002: 9). It argues that the "environmental protection requirements must be integrated into de definition and implementation of the Community policies and activities […], in particular with a view

to promoting sustainable development". That is to say, the integration principle can be defined as the incorporation of the environmental component to all those policies with negative effects to the environment (Aguilar 2003: 78).

The opening of the denominated "Cardiff Process" in 1998, represented a step forward to its application, calling to a variety of Council formations to prepare strategies and programs focused on integrating the environmental considerations in its own policies, beginning with energy, transport, and agriculture. In the energy field in particular, the Commission has sustained that "given the important impact on the environment, environmental integration cannot be achieved without adapting energy policy" (Commission 1998: 3). In such a way, as Ute Collier has argued, "[e]nergy efficiency and renewable energy sources [now] form the cornerstone of a sustainable energy system" (Collier 2002: 184). This is reflected in the EPE document (Council 2007), where the Council has shown "confident that a substantive development of energy efficiency and of renewable energies will enhance energy security, curb the projected rise in energy prices and reduced greenhouse gas emissions […]" (Council 2007: 21).

The environmental policy facilitated the development of a European regulation in energy policy. For the renewable energy particularly, the number of EU measures in the R+D field have been growing, "with a focus on the environmentally beneficial technologies" (Collier 2002: 177). Until recently, two main measures boosted the renewable energy in two key sectors: (1) the directive 2003/30/EC, on the promotion of the use of biofuels or other renewable fuels for transport[3] and (2) the directive 2001/77/EC, on the promotion of electricity produced from renewable energy in the internal electricity market[4]. Nevertheless, the agreement on the necessity to support the renewable energy had permitted the adoption of a new instrument that gives the EU a major capability and coherence of performance in this field.

[3] Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport**.**

[4] Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy

2. Reviewing the Europeanization mechanisms under the energy perspective

Europeanization of public policy instruments is translated as the institutionalization at domestic level of the rules and norms generated at the European arena (Radaelli 2004). The nature of this institutionalization varies according to the mechanism by means of which the EU acts to have an impact on national policy, then variation in the rigidity of instruments allows national administrative systems to adapt in a discretionary manner to the European pressures according to their own resources and institutional traditions, the distribution of power between domestic actors and the values defining the nature of the appropriate forms of policy (Knill and Lehmkuhl 1999: 2; Olsen, 2002: 933; Andersen, 2004: 5-6). Therefore, the greater the flexibility, the greater will be the diversity in the national execution of the European policies (Dimitrova and Steunenberg 2000; Dimitrova and Rhinard 2005). So given the complex nature of the EU policy-making, the research scope should "allow for a differential impact of European integration" (Vink and Graziano 2007: 8).

In order to explain variation in Europeanization mechanisms rigidity, literature generally distinguishes between hierarchical and non-hierarchical mechanisms (Radaelli 2004). This distinction allows the analysis of when the EU position is hierarchically equal or superior to the one of the member states. Frequently, we can find that the hierarchical mechanisms occur predominantly in policies where the EU regulatory capacity is enough to impose conditions to the member states; this would be the case of the internal market or environmental policy. The non-hierarchical mechanisms, on the other hand, occur regularly in those policies where the EU does not have any regulatory capacity or a limited one; as for example, energy policy.

When Europeanization is developed by non-hierarchical means, it usually has a more sociological character; in other words, it is generated from a slow-learning process (Bulmer and Radaelli 2004: 3). The EU participates mainly by boosting socialization. As Kerry Howell explains, this horizontal mechanism implies the assimilation of other member states policies in search of the best solution for public policy problems (Howell 2004: 5). The so-called framing integration "neither prescribes concrete institutional requirements nor modifies the institutional context for strategic interaction", but aims to alter the beliefs and expectations of domestic actors (Knill and Lehmkuhl, 2002: 262).

Thus, opening a way to policy transfer "for accelerating or augmenting Europeanization" (Bomberg and Peterson 2000). It is to say, the non-hierarchical mechanisms replace the EU lack of regulatory capacity in certain areas of public policy such as energy. Occasionally, this process can occur in areas subject to EU competence. This condition is linked to exceptions contained within the Treaties that establish unanimity for certain cases; this is the case of environmental policy .

For the hierarchical mechanisms, the basic way to work is to take measures in a concrete policy in the form of directives and regulations that must be implemented in the member states (Liefferink and Jordan 2002: 3). Given its nature, this process has a coercive dimension. Therefore, to assure the fulfillment of the European norms, the Commission has the capacity of supervising member states performance, to evaluate the implementation of EU policy and to refer to the Court in non-compliance cases (Pollack 1997: 258-9). This capacity not only covers the transposition of European legislation within the national legal framework, but it also implies the observation of the nature and operation in the administrative agreements and control mechanisms used to fulfill the objectives required by the EU (Haverland 2000: 84). In this hierarchical dimension, literature distinguishes, as ideal-types, between negative and positive integration.

Negative integration refers to areas where it is necessary to remove national barriers to allow the efficient operation of the single market. Within this process a European model is not implied, since the objective that is persecuted is to eliminate the existing obstacles at the national level for the internal market consolidation (Radaelli 2004: 12; Knill and Lehmkuhl 1999: 4-5). Therefore, this dynamic redistributes power and resources at the domestic level, generating a variation in the domestic structure of opportunities (Knill and Lehmkuhl 1999: 5). Negative integration is imposed hierarchically in the member states, but the final result depends on the propensity and the capacity of the governments to commit them in the regulatory policy.

On the other hand, positive integration implies more direct institutional requirements for domestic adjustment, leaving relatively little space for national adaptation (Knill and Lehmkuhl 1999: 4). Basically, it implies a market correction policy, as it could be the environmental policy to solve problems derived from the internal market. By means of this mechanism, on the one hand, the EU develops a public policy model that must be

implemented at the domestic level, redistributing at the same time the institutional power and resources. Thus, in this model, an adaptation pressure takes place varying according to the institutional resources of each country.

So generally speaking, Europeanization literature basically distinguishes between "three ideal types of European policy-making", namely positive integration, negative integration and framing integration. Certainly, this categorization is more useful for analytical than for empirical proposes (Knill and Lehmkuhl 2002: 257). In this way, the complexity of the EU policy-making, particularly in some specific areas as energy policy, produces a necessity to be flexible in studying the Europeanization dynamics since frequently we can find mix mechanisms as will be shown with the analysis of the 2001/77/CE directive.

3. The directive 2001/77/EC as the first mechanism of Europeanization in renewable energy area

Since 1991, when the first European strategy against climate change was launched, the renewable energy has occupied an outstanding place in the EU policy. Nevertheless, it is worth mentioning that directive 2001/77/EC was the first text adopted by the Council and the Parliament explicitly aimed at the development of renewable energy (Commission 2004). The lack of an explicit competence in energy facilitated its adoption within the environmental policy legal basis, generating a new EU performance capacity directly connected with energy policy.

3.1 The objectives of directive 2001/77/EC

This mechanism was trying to give a boost to renewable electricity consumption in the EU (Johansson and Turkenburg 2004: 10; Rowlands 2005: 969). With this aim, it initially established a global indicative objective of 22.1 percent of renewable electricity in the total electricity consumption for the 2010. However, as a result of the growth in the consumption estimation within the EU and the adjustment for the 2007 enlargement, the EU-27 objective was reduced until 21 percent. In order to reach it, the directive tried

to transform the scenario in favour of renewable energy in four main areas of national public policy:

1. Support Systems (article 4): Renewable energy requires governmental measures to support their penetration in the electricity internal market. This directive looked for the development of support systems at the national level.
2. Guarantee of origin of renewable electricity (article 5): In order to guarantee the origin of renewable electricity, this directive demanded member states that the emission of *green certificates* was made in accordance with objective, transparent and non-discriminatory criteria.
3. Administrative procedures (article 6): In order to facilitate the penetration of renewable electricity in the internal market, member states must evaluate the legislative framework with respect to the procedures of authorization for renewable energy projects. The goal was to reduce the prescribed and non-prescribed obstacles for the increase of renewable electricity production.
4. Questions relative to the network (Article 7): In order to guarantee the access to the network for renewable electricity, member states had to adopt the necessary measures so that the operators of the transport and distribution systems in their territory guarantee the access to renewable electricity.

It is worth to mention that given the resistance of most member states and the limited powers of the Commission, at the end this directive lacked a European support-system model and a binding objective of renewable electricity. So given the EU regulatory constraints in energy policy, this directive's strategy went into three directions. First of all, it prescribed concrete institutional requirements like the guarantees of origin or the administrative procedures that according to their impact at national level could favour the Europeanization scenario for renewable energy (Knill and Lehmkuhl 1999: 2; Jansen 2002: 24). Second, it tried to alter the opportunities structure at the national level. The need of member states for the promotion of renewable energy could offer additional resources to the change agents (Börzel and Risse 2000: 7); that is to say, the expected effect of the national support systems' implementation was that it would modify the game rules in favour of renewable electricity. Finally, it looked for a change in the member states' expectation about the participation of renewable resources within the general structure of energy supply (Knill and Lehmkuhl 1999: 2). Thus, this

directive generated a new EU capacity closely linked to energy policy that has the aim to influence the domestic arena in favour of renewable electricity and also to boost European performance across other areas of public policy in favour of renewable energy.

3.2 Limits of 2001/77/EC directive as an Europeanization mechanism

Certainly, this directive is representative of the institutional gaps existing in the EU participation in the field of energy policy. In this sense, this mechanism also shows clearly the limitations for Community participation in this area of public policy. The member states had to transpose this directive completely, at the latest by October 2003. As far as the new member states are concerned, they had the obligation to apply its content from the moment of adhesion. This work focuses on the character of the global objective and the lack of an EU support model in order to emphasize the form in which European legislative work in energy policy gives rise to instruments that mix binding dispositions with elements of a more flexible character (Treib, Bähr and Flakner 2008).

The hierarchical nature of this Europeanization mechanism was limited, on the one hand, by the indicative character of its objective, because it prevented the Commission to use coercive instruments against member states that do not fulfil national objective of renewable electricity. Thus, the European Court lost control capacity to face national infractions (Díez de Velasco 2003: 578). Therefore, the Commission task of monitoring national performance did not have a direct relation with the infraction procedure. In non-compliance cases, it needed to present an individual mandate request of obligatory objectives to the Council and Parliament (Rowlands 2005: 969-70). If, in its report, the Commission established that a member state was not fulfilling its national indicative objective, this report could be supported with complementary proposals directed to the Parliament and the Council (Article 8). By means of this procedure, it was left for the member states the regulatory substance and the decision on the appropriate steps to follow this objective (Knill and Lenschow 2003: 4; Muñoz et al. 2007: 3104).

On the other hand, non-harmonization of national regulatory frameworks, specially the lack of an European model to support renewable electricity, allowed member states to

fit their own systems according to the political, economic and social conditions at the national and subnational level (Knill and Lenschow 2003: 7) and to reflect in their schemes the different administrative systems, institutional resources, and national political traditions (Olsen 2002: 933). Thus, on spite of looking for the standardization of national support systems, the final result was the persistence of European pluralism (Midttun and Koefoed 2003: 685). Consequently, this directive pursued the 21 percent of renewable electricity objective through discretionary fulfilment forms. As a result, its flexible approach on support systems has allowed the national filter to limit the degree of convergence and homogenization and, therefore, the implementation of a European model is still far from being reached. However, the Commission has looked for a *facilitated coordination*[5] process in order to try to homogenize the national support systems (Bulmer and Radaelli 2004: 7) and thus replace the lack of a European model in this directive. It is to say, EU institutions has also promoted the Europeanization by non-hierarchical means, acquiring a more voluntary sense for the member states.

Therefore, in spite of the advances related to this instrument, its structural weaknesses prevented the consolidation of the electricity internal market, among other reasons, due to the effects entailed by the diversity of support systems at European level. Paradoxically, as raised by the Commission itself, it is premature to think about the harmonization of support systems since the electricity internal market does not yet works correctly (Commission 2008a: 13).

Due to its nature of framework directive, this norm was transposed in different forms and velocities (Dimitrova and Rhinard 2005: 6). This means that, although there was an increase in the renewable energy contribution to the EU electrical mix[6], there was also an important breach between member states because of heterogeneity of capacities and preferences to adapt oneself in the four areas of public policy demanded by this measure (figure 1). Therefore, since fulfilment problems frequently arise when at the national level it is not wanted to comply with the implementation costs (Börzel 2002: 195), domestic conditions (fragmentation of the political system, lack of administrative

[5] For Bulmer and Radaelli (2004: 7), the *facilitated coordination* happens in those areas of public policy where the national governments are the key actors. This situation happens when the political process is not subject to the European law; when the decisions are taken unanimously between the governments; or when the EU is simply an arena for the exchange of ideas.
[6] Electrical mix is the total electricity consumption.

capacity or limited interest to develop renewable energy), acquired an added value for the renewable electricity Europeanization process (Börzel 2000: 145-47).

Before the impossibility to adopt legal measures for the non-compliance of the renewable electricity objectives, the Commission has only could initiate infraction procedures against Austria, Cyprus, Greece, Ireland, Italy, and Latvia based in the incomplete transposition of the secondary legislation (Commission, 2007: 20-1). For that reason, it considered necessary that the renewable electricity objective should be binding for having the capacity to force its accomplishment (Commission, 2007: 3). Subsequently, the own Council manifested the necessity of a binding objective of 20 per cent of renewable energy in the EU total energy consumption for the 2020 (Council, 2007: 21).

Figure 1 *Renewable electricity penetration level in the EU -27*

Level 1	**Level 2**	**Level 3**	**Level 4**	**Level 5**
Denmark	Finland	Czech republic	Belgium	Austria
Germany	Ireland	Lithuania	Greece	Cyprus
Hungary	Luxemburg	Poland	Portugal	Estonia
	Spain	Slovenia		France
	Sweden	United Kingdom		Italy
	Netherlands			Latvia
				Malta
				Slovakia

Source: Own elaboration from dates on (Commission, 2007).

In order to solve some of these limits, at the beginning of 2008 the Commission presented a directive proposal to reinforce EU performance in the area of renewable energy, which was approved by the Council and the Parliament. Their main features are (1) the integration in a single legislative instrument of EU performance in three key sectors of renewable energy: electricity, biofuels, and heating and refrigeration; (2) the establishment of a 20 percent of a binding renewable quota for the total energy consumption and a quota of 10 percent for biofuels; and (3) the adoption of national action plans on the renewable energy area to reach the established objectives[7].

[7] Directive 2009/… /EC of the European Parliament and the Council, of 26 of March of 2009, that amends and subsequently revokes the 2001/77/EC and 2003/30/EC Directives. Legally, unlike the 2001/77/EC directive, this new instrument mixes article 175 on environment with article 95 on common market.

Focusing on the development of renewable electricity, this directive mainly displays changes in two areas of public policy with respect to its predecessor. In the first place, article 11 contemplates joint development of support systems, although always on a voluntary basis. This generates a formal frame for the *facilitated coordination* process, by means of which the Commission wanted to replace the lack of a European model. Secondly, article 15 approaches the transference of guarantees of origin as a mechanism to favour the internal market of the electricity. At the same time, it clarifies that the guarantees of origin have the only function of providing the final consumer information about the source of renewable electricity and differentiating, clearly, the guarantees of origin from the green certificates used in support systems[8] (introduction 52).

These new features, although they do not represent the homogenization of the regulatory frameworks are a step forward in the harmonization process at European level in the renewable electricity area. The result is that, nowadays, there is more coherence in the EU and members states performance in this area, and that the Commission position before the compliance problems has been reinforced. Beyond this, the new legislative instrument presents a series of new features like joint projects between member states (article 7), and joint projects between member states and third countries (article 9), that extend the spectrum of Community performance in the area of renewable energy. Taking into account that the new directive adoption is too recent so that one can analyze its real impact, the implications of the 2001/77/EC directive on the Spanish energy policy need to be considered in order to understand to what extent the European fight against the climate change has boosted the Europeanization of the national energy policies.

4. Europeanization of the Spanish energy policy in the renewable electricity area

Spain has a positive perspective on its way to reach the national indicative objective (29.1 percent). Consequently, to reach the national target, the only element that has

[8] *Green Certificates System* is developed on the basis of the origin guarantees issued by member states. Within this system, the renewable electricity is sold to conventional market prices (European Commission 2005: 5). Nevertheless, with objective to finance the additional cost of generation, there is the obligation, on the part of the consumers, to acquire green certificates in the market (Meyer 2003:669).

eclipsed the Spanish deployment of renewable energy has been the increase of electricity consumption at a national level (Commission 2007: 8). As shown in figure 1, the Commission recently placed Spain within the second group with "reasonable probabilities" to reach its objective of renewable electricity (Commission 2007: 8). Shortly, this section approaches a successful process in the development of renewable electricity. Therefore, our challenge consists of knowing to what degree the development of renewable electricity at national level responds to the Europeanization dynamics.

This country had legislative developments to promote renewable electricity since the 80´s (Sanchez de Tembleque 2009: 125), having 82/1980 Law on Conservation of Energy as a first initiative. Among other aims, this law looked to foster renewable power plants, reducing as far as possible the consumption of hydrocarbons and fuel dependency (Law 82/1980). This was the first step towards the construction of the Spanish support system based on feed-in tariffs[9] (Dinica and Bechberger 2005: 263). Nevertheless, it was not until 1994, with 40/1994 Law, that the Special Regime concept, as the key instrument of Spanish energy policy for the development of renewable energy, was consolidated as such (CNE 2008). The liberalization of European electricity markets sensitively affected Spain (Levi-Faur 2002: 1). The *54/1997* Law adapted the national system to competition norms, having the abandonment of the public service notion as a first measure. Additionally, it separated the regulated activities like transmission and distribution, of the non-regulated activities such as generation and sales to the public (Moral Soriano 2008: 101). Besides, it adapted the Special Regime to the market system. In order to treat this point the *2818/1998* Real Decree was adopted, by means of which the electricity production based on Special Regime was regulated and the administrative requirements to take part in this regime were settled down (RD 2818/1998 Article 1a).

At the time of the 2001/77/EC directive adoption, Spain had the necessary legislation for its application in three of the four areas approached by that this mechanism; these are: support systems, questions relative to the network and administrative procedures.

[9] *Feed-In Tariffs System* establishes a long-term minimum price guaranteed for the renewable electricity (Meyer 2003: 667). In this system, the authority fixes the price and the market determines the volume (Johansson and Turkenburg 2004:18).

Thus, the report on transposition presented by Spain was based on the 54/1997 Law and Real Decree 2818/1998. Indeed, except for the adoption of necessary measures for the emission of guarantees of origin, this directive did not imply at a first moment significant adaptational pressure. Consequently, the obligation to transpose this directive did not have immediate effect on the Spanish energy policy instruments.

Since the adoption of this directive, the Spanish Special Regime has undergone a couple of modifications. First of all, after the adoption of Real Decree 436/2004, producers under the Special Regime could choose between the sale of their production under the modality of regulated tariff or to the market. That is to say, two modalities were offered to the producers of renewable electricity: a) a fixed tariff or b) the market price plus an incentive to participate (Muñoz et al. 2007: 3107), permitting producers under the Special Regime to "play" more closely to the competition system (Commission 2008a: 5). On the other hand, the second adjustment was made by means of Real Decree 661/2007. This decree aims at avoiding the fact that the income derived from the market price are excessively low and eliminates the premium when the price of the market is sufficiently elevated to cover its cost (RD 661/2007). Thus, the Special Regime adapts, even more, to the internal market requirements. On the other hand, it tries to reduce the investment risks by means of guaranteeing a level of minimum entrance for those producers who choose to sell their excess to the market.

As seen, the new energy model that promotes the EU environmental policy, and in special the 2001/77/EC directive, is also boosted across the EU performance within the framework of the internal market. This reflects the integration of environment in the development of other policies, because market instruments as the RD 661/2007 now promote renewable energy and boost co-generation as a tool for energy efficiency. As a consequence, it is part of the tool-kit established to fulfil the objectives of energy efficiency and emission reduction established in the Kyoto Protocol (Sanchez de Tembleque 2009: 129).

Concerning the institutional adaptational costs, the pressure that this directive exerted on Spanish energy policy institutions was minimal. Since at the national level there was already technical-administrative capacity in the area of the renewable energies, this mechanism impacted mainly in relation to the guarantee of origin. The ITC/1522/2007

appointed the *Comisión Nacional de la Energía* (CNE) the responsible entity for its expedition. Therefore its application did not imply considerable institutional adaptational costs. In this sense, the Spanish performance for the promotion of renewable energy and the flexibility of this directive as an Europeanization mechanism are the main keys to understand the limited adaptational cost. On the financing side, the necessary investment for the Spanish renewable take-off during the execution of phase 2000-2006 was valued in 10.000 million Euros. The additional resources offered to the promoters of renewable electricity are reflected in the public support Figure 2.

Figure 2. *Public support of first stage (2000-2006).*

Subvention	Fiscal incentives	Special Regime Premiums	Total public support
1.682	987	2.609	5.279

Source: IDAE

In terms of percentage, 32 percent of the support belonged to subventions, 19 percent to fiscal incentives and 49 percent to Special Regime premiums. In this way, the Special Regime represented, in this first period, the basis for the renewable energy evolution at the national level. So we can conclude that great part of the success in the development of renewable electricity responds to the national performance in the field of support systems within the framework of 2001/77/EC directive.

In parallel, subventions had a vital role to improve the structure of opportunities. Thus, if we consider that more than 70 percent of this aid had a Community origin (Frankl and Menichetti 2004: 10), we can establish that the integration of the national performance with the European strategy depends also on the financial support (figure 3). This financial basis came mainly from the Cohesion Funds and the European Funds for Regional Development. Secondly, they came from other financial support policies such as the agricultural policy or the research policy. In this sense, the horizontal integration of environmental policy is consolidated as a support for the Europeanization of energy policy, as it generates additional resources for the change agents who promote renewable electricity.

The Spanish Plan of Renewable Energies 2005-2010 considers the need for more than 23 million Euros on investment. In this frame, premiums to Special Regime generation

almost duplicate their contribution with 4,900 million Euros. To pursue this aim, the Plan only contemplates the financing on the part of national institutions such as the Institute for the Diversification and Energy Saving (IDAE), the Ministry of Agriculture, the General Administration of the State and the Autonomous Communities. Therefore, although Spain stays on the European road drawn up by the 2001/77/EC directive, this time its performance does not count on the EU direct financial support.

Figure 3. *Origin of the first stage's subvention*

Origin Program	**EU**	**National**	**Regional**	**Local**	**Total**
Cohesion Funds	481	60	36	24	601
Regional Development	576	137	63	47	824
Agricultural	56	24	---	---	80
Social	21	9	---	---	30
Research	58	90	---	---	148
Totals	1.192	320	99	71	1.682
Contribution	71 %	19 %	6 %	4 %	100 %

Source: IDAE

Before this readjustment, national actors have taken advantage of the financing offered by the EU for renewable energy related projects. Within the framework of the Intelligent Energy for Europe Program, Spanish projects obtained in 2006 a global subvention of 3.3 million Euros and of 4.3 million Euros in 2007 (IDAE 2006; 2007). On the other hand, in the context of the Sixth Framework Program for Research and Development, this country obtained in 2006 a financial subvention of 59 million Euros and of 18.5 million Euros in 2007 for the priority "Sustainable Energy Systems" (IDAE 2006; 2007). Thus, the use of European financing on the part of the national actors exemplifies the structure of opportunities and additional resources generated by the Europeanization process.

Renewable electricity has an increasing importance in the national electricity mix. In 2007, the renewable sources represented a 20.2 percent of the total electrical consumption, growing more than 1 percent with respect to the previous year (IDAE 2007; 2006). This way, it is worth emphasizing that the Spanish energy policy Europeanization in the area of renewable electricity has lead to new opportunities to

face several problems of the national energy policy, such as the fight against climate change, and to reinforce the security of supply through endogenous sources. Thus, our case-study can be considered a successful Europeanization sample of member states transformation towards more sustainable energy systems.

5. Conclusions

The Lisbon treaty is expected to bring some changes to this scenario because in the end the EU has an explicit energy competence. Up until now, the EU environmental competence acted as a window of opportunity for the Europeanization of national energy policies. Climate change stressed the consolidation of this role, as shown with the EPE document and the "Climate action and renewable energy package" adoption. In this way, EU performance in energy policy through environmental measures has generated incentives and opportunities for member states on their way towards a sustainable energy system.

Europeanization of energy policy has two main limits that make it difficult to reach EPE objectives. First, this process requires, in most cases, of the consequent member states performance. Thus, to increase the Europeanization influence it is necessary to generate greater competences for the EU in this area. Something that even with the energy chapter contained in the Lisbon Treaty seems difficult to reach since it does not generate new capacities apart from those it already has by means of other policies (environment, internal market and external relations). In the second place, the nature of this process makes difficult the convergence between the adaptation forms at national level. Therefore, although it establishes common goals, it does not necessarily facilitate the homogenization of national energy policies. Such a result would have direct implications with the purpose of laying down the basis for the establishment of an EPE with global character and the internal market completion. In this sense, it is worth to mention that our empirical study in renewable electricity has demonstrated the difficulties of framing the EU participation in energy policy by means of its environmental competence. Basically, because the complexity of the EU policy-making set-out in the form of mix-nature instruments that incorporate hierarchical and no hierarchical means of performance.

The case of Spain is paradigmatic of the emergence of new models of energy policy. Its electrical mix has a growing presence of renewable sources. This responds, without doubt, to the 2001/77/EC directive as a mechanism to transform domestic arenas in favour of renewable electricity. Therefore, despite the limited hierarchical character, this measure has reaffirmed its capacity to alter the opportunities structure at the national level and to offer additional resources to change agents, mainly because the horizontal character of environmental policy. Nevertheless, there is still a lot to do at the European level to reinforce the own EU performance in the area of renewable electricity. It is expected, in this sense, that the recently adopted directive will significantly foster renewable energy, leaving, thus, a clear footprint of the European fight against climate change in the EU regulatory framework within energy policy.

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