

INTERNATIONAL RENEWABLE ENERGY AGENCY

Eighth session of the Assembly
Abu Dhabi, 13-14 January 2018

**Note of the Director-General
Renewable energy policies in a time of transition**

1. The global energy transition must be accelerated in the coming decades to realise the Sustainable Development Goals embedded in the Agenda 2030 and meet the climate objectives of the Paris Agreement. To make the transition a reality, the deployment of renewable energy technologies will have to be scaled up in all end-use sectors, with the support of innovative policies and measures.
2. Renewable energy support policies are increasingly being integrated into broader energy and development strategies. As the sector matures, policies need to adapt to changing market conditions. One important trend in recent renewable energy policies has been the increasing innovation in their design, as policy makers seek to take advantage of the complementary characteristics of the different support mechanisms. Policy design for renewables is evolving, becoming increasingly sophisticated, with the lines separating policies in traditional classifications increasingly blurred.
3. Although almost all countries have now adopted policies to support the development and deployment of renewables, this policy support has historically focused mostly on power generation, while support for renewables in the end-use sectors such as heating and cooling, and transport, has been less dynamic. Regulatory policies in the power sector exist in almost twice as many countries as in the transport sector, and in six times as many countries as in the heating and cooling sector.
4. In the power sector, policy, regulatory and market frameworks are evolving as shares of variable renewable energy increase. Policy to support a systems approach to renewables integration aims to strengthen operational efficiency and flexibility of the power system. Large shares of variable and distributed renewable sources challenge traditional frameworks, regardless of a country's market structure. Moving beyond power, a whole-system approach to energy policy and planning aims to integrate, to the extent possible, all sectors for greater energy security, efficiency, flexibility, affordability, and emissions reduction.
5. To support the deployment of renewable heating and cooling technologies, policymakers continue to use financial incentives such as grants, loans or tax incentives. Sustainability in the transport sector has tended to focus on improving energy efficiency, expanding the use of biofuels, and encouraging modal switch (e.g. increasing electrification). To a lesser extent, advanced biofuels (for aviation and maritime transport), hydrogen and synthetic fuels are becoming focus areas for support policies but are not rapidly progressing.

6. *Renewable Energy Policies in a time of Transition* is a report produced jointly by IRENA, the IEA and REN21, with the aim of providing policymakers with an understanding of the policy options that can support the development of the renewable energy sector depending on the country context, state of the energy market, technology and specific objectives to achieve. The analysis goes beyond deployment policies to include regulations, such as flexibility measures for the integration of variable renewable energy. In addition, based on an update on the global policy trends, the study presents an adapted policy classification that reflects latest innovation in policy design and that is agreed upon by the three organisations.

Objective of the session

7. The objective of the plenary session is to inform Members of the key features of the policy report developed jointly with the IEA and REN21, with contributions from GIZ and NREL. This collective effort will serve to harmonise the renewable energy policy categories and terminology as well as highlight the increasing importance of end-use sectoral renewable energy policies to achieve the energy transition.

Guiding questions

- What are the key factors that determine which policy or set of policy instruments are the most suitable for a specific jurisdiction to deploy greater levels of renewable energy technologies?
- What are priorities for policy makers to further strengthen policy frameworks and increase deployment in all end-use sectors?
- How can IRENA use its analytical (and advisory) policy work to support decision makers in the energy transition?