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Guidance for Member States to conclude statistical transfers pursuant to Article 8 of Directive (EU) 2018/2001

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1. INTRODUCTION

The Renewables Directive 2009/28/EC (RED I) and the recast Renewables Directive 2018/2001/EC (RED II) define three types of renewables cooperation mechanisms. Of the three cooperation mechanisms, statistical transfers provide Member States the flexibility to increase their statistical renewable energy share, helping them meet their 2020 renewable energy targets and their planned national contributions to the EU renewable energy target in 2030.

However, Member States have made limited use of statistical transfers despite the mechanism's various benefits, including the flexibility they provide buying Member States in complying with 2020 targets and the baseline requirement post-2020 and the national trajectory in the National Energy and Climate Plans (NECPs) and the generation of revenues for selling Member States. On the other hand, there are several barriers to implement statistical transfers such as finding the right cooperation partners, determining prices acceptable to the involved parties, and overcoming the high transaction costs for Member States to design and implement statistical transfer arrangements.

In this context, Article 8 of the RED II provides that “the Commission shall establish a Union Renewable Development Platform (URDP).” The platform will help create transparency on available opportunities for potential statistical transfer arrangements among interested Member States, including who is interested in selling and buying, which quantities are made available for which years (and potentially at which prices), and if the selling Member State intends to attach additional conditions, and contacts.

Besides the platform's central matching mechanism, the URDP provides additional supporting resources. This guidance document and a template agreement aim to assist Member States in the conclusion of statistical transfers by raising their awareness on opportunities and options to engage in statistical transfers and helping them agree on concrete statistical transfer arrangements. It contains the following elements:

- Guidance on the benefits of and design elements for setting up statistical transfer arrangements (Section 2).
- A procedural stepwise guide on how to implement statistical transfers (Section 3).
- A template for bilateral agreements on statistical transfers (Section 4).

2. HOW TO DESIGN STATISTICAL TRANSFERS?

This section introduces statistical transfers and their benefits and explains key design choices for the implementation of statistical transfer arrangements. Table 1 summarizes these design elements, including a brief assessment on their suitability.

2.1 Definition of statistical transfers

Statistical transfers are agreements between Member States to transfer the statistical value of a quantity of renewable energy produced in one Member State to another to meet their 2020 renewable energy targets or for contribution to the 2030 EU target compliance purposes.¹ Its legal basis is in Article 8 of Directive (EU) 2018/2001 (RED II) for the 2030 framework and in Article 6 of Directive 2009/28/EC (RED I) for the 2020 framework.

According to Article 8 of RED II, statistical transfers will facilitate the achievement of the overall renewables target at Union-level set in Article 3(1) RED II and of each Member State's contribution to that target in accordance with Article 3(2) RED II. However, no reference is made to Article 25 of RED II, which requires each Member State to set an obligation on fuel suppliers to confirm the share of renewable energy within the final consumption of energy in the transport sector is at least 14% by 2030. From a legal point of view, the renewable energy target in the transport sector (RES-T target) of RED II is not a national target but an obligation Member States have to put on fuel suppliers. Member States are limited in their choice of measures to reach their RES-T share. Consequently, the use of statistical transfer for fulfilling the transport target is not expected in RED II and the URDP does not provide any such functionality.²

The statistical transfer is the simplest form of cooperation and results in a statistical accounting exercise. Links to specific generation units or technologies, energy flows, or place of consumption are possible if Member States agree on such additional criteria. However, they are not a precondition and statistical transfer may be concluded without these additional elements.

2.2 Statistical transfer agreement and notification procedure

Statistical transfers are implemented via agreements between Member States for a virtual transfer of a certain volume of renewable energy to be deducted from the selling, host Member State's statistical accounts and added to those of the buying, off-taking Member State. An agreement template that may be used by Member States can be downloaded from the Union Renewable Development Platform (URDP) (Tab "Guidance"). Statistical transfers may be concluded between Member States directly or via Member States'

¹ The European Commission, *Guidance on the use of renewable energy cooperation mechanism*, Commission Staff Working Document, (5 November 2013) https://ec.europa.eu/energy/sites/ener/files/documents/com_2013_public_intervention_swd05_en.pdf.

² Initially, the Renewables Directive 2009/28/EC (RED I) also did not provide for the possibility of statistical transfers for the compliance of the RES-T target. The possibility to make use of statistical transfer for the purpose of specifically complying with the binding 10% renewables transport target under Art. 3 (4) RED I was only introduced in 2015 with the ILUC Directive that extended the scope of Art. 6 of RED I to Art. 3 (4) RED I.

voluntary participation in URDP's matching mechanism, according to Article 8(2) RED II.

To be effective, Member State must notify the Commission of their agreement 12 months after the end of each year the transfer takes place at the latest. The statistical transfer agreement with another Member State may enter into force before its notification to the Commission. The information sent to the Commission includes at least the quantity and the price of the energy forming part of the statistical transfer arrangement. The energy statistics will be transferred ex post between Member States for target compliance purposes only. The national statistics on the share of renewable energy in primary energy and final energy consumption are not affected.

2.3 Benefits of statistical transfers

The use of statistical transfers entails a range of benefits. For buying Member States, the main benefit is the flexibility they provide in complying with the 2020 targets and the baseline requirement post-2020 and the national trajectory in the National Energy and Climate Plans (NECPs). Considering the increased ambition level in the field of renewables as part of the European Green Deal, tapping into these benefits may become increasingly important for Member States. In this context, an increased ambition level can be observed both in the mid-term perspective (e.g., the Climate Target Plan for 2030 of 55% greenhouse gas reductions and the associated Fit-for-55 package) as well as the longer-term perspective (the climate neutrality objectives under the Climate Law). For selling Member States, on the other hand, the main benefit relates to the generated revenues from selling renewable energy statistics. In the following paragraphs, the benefits for both buying and selling Member States are discussed in more detail.

a) Benefits for buying Member States

Compliance with the 2020 target, the baseline requirement post 2020 and the national trajectory in the NECPs: A statistical transfer allows buying Member States not meeting their 2020 renewables targets or their baseline requirements after 2020 to flexibly fulfil their obligations. They can buy renewables statistics directly without having to provide support payments to renewable energy generation first, provided they find an adequate selling Member State. In this context, Member States with a structural deficit or high renewable energy generation costs in their territory might be interested in more long-term transfers, while others, with only a temporal deficit, may favour short-term transfers. A short-term need for target achievement might be covered by a transfer for a fixed amount for the current and the past year, while a structural deficit might result in a more flexible transfer for future years (see section 2.4 for more details on this aspect).

Access to cost-effective renewable energy potentials and resulting support cost savings (compared to national deployment): Buying renewables statistics often implies accessing better renewables potentials in other Member States, which may lead to cost savings compared to a purely national renewable energy deployment. Through the URDP, multiple sellers may be available rather than only an already existing cooperation partner. Therefore, when using the URDP, market transparency is increased, which in turn increases the likeliness of effectively accessing cheap renewables potential in other Member States.

b) Benefits for selling Member States

Revenues generated through statistical transfers: Selling Member State with available surplus renewable energy amounts, which are not needed for their own target achievement, can receive revenues from selling renewables statistics. These revenues may be used for their own or joint policy goals such as additional renewable energy investments or to fund innovative projects.

Flexibility due to short contract durations: Statistical transfers allow for a rather flexible and quick transfer of renewables statistics for target achievement compared to other cooperation mechanisms with often longer lead times (e.g., joint support schemes). Statistical transfers usually have a relatively short contract duration, so Member States can react more flexibly, in case of short-term national developments that hamper domestic renewables deployment, for example.

c) Benefits for buying and selling Member States

Entry point into longer-term cooperation: Statistical transfers may facilitate and foster a longer-term cooperation between cooperating countries and allow the incorporation of specific joint policy goals (e.g., the use of revenues for the scale-up of new and innovative technologies, the commitment on a continuous knowledge exchange in defined areas). In this context, previous statistical transfer agreements have demonstrated that such arrangements may go well beyond the transfer of renewables statistics per se, thus ensuring broader public acceptance and contributing to the achievement of broader cooperation objectives.

2.4 Design options for statistical transfers

Member States can design statistical transfer arrangements through a range of options to address their needs and willingness to integrate policies with other Member States. In general, design elements can be grouped into:

- Type and scope of cooperation (e.g., number of involved parties, timing, volumes).
- Pricing (e.g., determination of transfer price, price adaption mechanism).
- Additional conditions attached to transfer (e.g., how revenue is spent).

Type and scope of cooperation

Number of involved parties: Statistical transfer arrangements can be between two or multiple parties. So far, statistical transfers have only been concluded bilaterally. Bilateral agreements imply lower transaction costs to set up the cooperation and may be beneficial, especially if parties have no or few prior cooperation experiences. Multilateral agreements provide more flexibility if one country is not able to deliver the committed volumes, but potentially requires certain prior experience.

Statistical transfers may apply for single years or for several years: Single-year transfers may be used to fill a short-term gap, such as for the 2020 target. They entail a smaller financial commitment of the buying Member State compared to multiannual transfers. Multiannual statistical transfer arrangements provide more certainty for both parties in terms of the agreed revenue stream and contribution to target achievement. However, such multiannual arrangements presuppose an interest on both sides for a longer-term cooperation (e.g., as part of 2030 framework).

Statistical transfers may be for the past or current year, year-ahead, or coming years (i.e., forward products): Statistical transfers may be concluded more short term or even for the past year to flexibly account for unexpected shortfalls (e.g., as a result of external effects impacting electricity demand). Year-ahead arrangements allow for the short-term purchase of statistical transfers for the next year. Other forward products could include longer timeframes, such as an agreement in 2021 for the year 2030. Such forward products allow for an effective planning of transfers, if needs for them are apparent already early on. They can address structural gaps and can limit risks in case they are combined with flexible call options for volumes or prices. Without call options flexibility is reduced for the involved parties.

Statistical transfers may include fixed or flexible renewable energy volumes: Fixed renewable energy volumes are more suitable in case of predictable surplus or shortfall and for meeting a specific shortfall in a target or contribution. They provide high planning certainty for buying Member States and stable revenue streams for selling Member States. Flexible volumes (e.g., in the form of call options for buying Member States) can be suitable to reduce the risks, especially as part of longer-term agreements, related to a potential need for additional renewable energy amounts in the future. Flexible renewable energy volumes may become relevant in longer-term statistical transfer arrangement for the contribution to target achievement as part of the 2030 framework. However, flexible volumes provide a less certain revenue stream for the selling Member State and may reduce the overall transferred statistics if a lot of flexible volumes are not used in the end. This may have an impact at the European level if available statistical transfer volumes are scarce, i.e., if almost all volumes are sold and so not available for new statistical transfers.

A combination of the design options, such as a limited agreement to buy a fixed amount at one point in time combined with options for possible extra take off in the longer term (e.g., until a certain future point in time) could mitigate risk for both parties.

Box 1. Type and scope of cooperation (examples)

To date, all statistical transfers have been concluded **bilaterally**.

Both **single-year** statistical transfers and agreements covering **several years** have been concluded in the past, e.g.:

- In their agreement concluded in 2020, **Member State X and Member State Y** determined that Member State Y will transfer a once-off fixed volume of 100 GWh in 2020 (i.e., **current year**) to help Member State X fulfil its 2020 national renewable energy target.
- By contrast, the agreement signed between **Member State X and Member State Y** in 2017 entailed the transfer of 300 GWh in 2018 (i.e., **year-ahead**) and 400 GWh in 2020.
- The statistical transfer agreement between **Member State X and Member State Y** concluded in 2017 specifies the transfer of 700 GWh between 2018 and 2020 (i.e., **several coming years**).

Most statistical transfers have included **fixed and flexible (i.e., optional) renewable energy volumes**, e.g.:

- The statistical transfer between **Member State X and Member State Y** included the fixed transfer of 8 TWh for 2020 and an option for additional transfers of 8 TWh (until 2021).
- The agreement between **Member State X and Member State Y** allowed Member State X to either increase or reduce the amount to be purchased for 2020 by one-fifth.

Pricing

Price finding: The price of a statistical transfer cannot be derived fully objectively, but it will depend on Member States' willingness to pay (of the buyer) and willingness to accept (of the seller). This will be influenced by several factors such as overall demand and supply, country-specific costs and benefits of renewable energy deployment, and potential outside options of renewable energy target achievement:

- *Supply and demand* are the most obvious impact factors on the transfer price. Potential oversupply, i.e., more Member States overshoot their renewable energy targets than Member States that miss their target will lead to a buyers' market. Such a situation will likely lead to lower prices, as buying Member States can shop around for the lowest offer. The reverse is true in a sellers' market, i.e., more demand than supply is available, prices are likely higher as buyers compete for available transfer capacity. Keeping in mind that a liquid market for renewable energy statistics is unlikely due to the limited number of market participants, such theoretic discussion may not be valuable.
- *Incurred support costs and other indirect costs* may be another impact factor on the price suggested by the selling Member State. For example, the selling Member State could calculate its offer based on average generation costs of renewables. This could be related to a certain cohort of renewable energy installations, e.g., the highest cost technology, the lowest cost technology, the cost for an average-cost technology or the average support costs across all technologies over a given time period (e.g., the last 5 years). However, selling Member States should be flexible in the identification of their costs, as these are usually sunk costs at the time of the transfer. Economically speaking, these costs have been incurred already and should not be expected to be recovered. However, sellers may refer to expected future support costs or a special project that they want to have financed. Such a cost-based approach can incorporate country-specific characteristics, such as type of renewables, geographic location, and political preferences, and so may play a crucial role next to the overall demand and supply. In any case, such cost and benefit estimates are likely corrected by political factors and compared to outside options.
- *Outside Options* such as target achievement through national means or other cooperation mechanisms such as joint projects and support schemes or the Union Renewable Energy Financing Mechanism (as defined in Article 33 of the Governance Regulation) are also available to Member States. If target achievement through one of the other options would be cheaper (or not significantly more expensive) for a Member State and achievable in a timely manner, the Member State may pursue this option instead of a statistical transfer. However, the other options are more tailored to long-term cooperation, and

Member States will assess whether a short or rather long-term cooperation is more beneficial.

Two Member States do not have to agree on a single price finding mechanism, so the actual transfer price is likely to be a negotiated package deal, encompassing multiple factors relevant to the buying and the selling Member States. Where the buying Member State may highlight the overall market situation for statistical transfers, the selling Member State may emphasize the incurred support costs it deems relevant for the transfer.

Statistical transfers may include fixed or flexible prices: The use of call options in an identified shortfall from the required renewable energy volumes may also incorporate flexible price components based on demand and supply or reflecting the selling Member State's real support costs. That is, the price for a statistical transfer can increase or decrease depending on national support cost development. However, this entails higher uncertainties for the buying Member State, as prices for statistical transfers may be subject to varying prices in the future. By contrast, fixed prices reduce complexity and provide more certainty.

Box 2. Pricing (examples)

So far, all statistical transfer agreements have included **fixed prices**, e.g.:

- **12 €/MWh** (agreement between **Member State X and Member State Y** in 2020)
- **15 €/MWh** (agreement between **Member State X and Member State Y**, 2020; agreement between **Member State X and Member State Y**, 2017)
- **20 €/MWh** (agreement between **Member State X and Member State Y** in 2020)

Additional conditions attached to statistical transfers

Additional conditions may be attached to a statistical transfer to inter alia increase the public acceptability of such arrangements and to foster long-term cooperation between the involved parties (e.g., knowledge sharing on specific technologies). In the past, such additional arrangements have been common (e.g., on the upscaling of Power-to-X [PtX] technologies). Such additional preferences are often of high importance and considered a precondition to conclude statistical transfers. A common understanding of mutually shared priorities often will be required in the early negotiation phases of statistical transfers. However, this assumes both sides are willing to accept additional transaction costs that may arise in the context of negotiating shared goals and criteria and to sustain a long-term cooperation in specific areas.

In general, additional criteria attached to statistical transfers can inter alia relate to the following:

- Specifying additional conditions on the source of renewables statistics in selling Member State (e.g., plants not older than x years, specific technologies, specific plant sizes).

- Specifying how revenue should be spent in selling Member States (e.g., lowering consumer levies, lowering investment costs for new plants by providing an enabling framework, triggering additional renewable energy investments (additionality), developing and upscaling a certain innovative technology such as PtX).
- Specifying a commitment between parties to engage in a continuing (technological) knowledge transfer

Destination of statistical transfer revenue flows: The revenues from any statistical transfer could constitute general government revenue that is not earmarked for specific purposes. Alternatively, host countries' statistical transfer revenues may directly flow to the national support scheme to reduce support costs. Depending on how the national support scheme is financed, revenues may be used to reduce levy costs for electricity consumers or to (partly) offset budget amounts used to support renewable capacity additions. Moreover, revenue may be specifically linked to dedicated goals within the energy sector, such as the promotion of a certain technology, by earmarking revenues for such purposes. In any case, the clause on how the revenues are spent should be consistent and in line with the national regulatory regime of the country that takes the obligation in the transfer agreement. Earmarking revenue might improve public acceptance and increase the chances that statistical transfers conclude successfully. Countries should establish a common internal understanding on the use of revenue early on to avoid deadlocks in more advanced stages of statistical transfer negotiations.

Box 3. Additional conditions attached to statistical transfers (examples)

In the past, **additional conditions** attached to statistical transfers have been common, e.g.:

- Agreement between **Member State X and Member State Y** (2020): Member State X shall use the revenue received to finance a tender for PtX technologies (aiming at approximately 100 MW green electrolysis capacity). The authorities in Member State X will determine the exact design of the tender. PtX is considered a mutual interest of both parties. Statistical transfer will facilitate fundamental experience and knowledge exchange between the two countries in this area.
- Agreement between **Member State X and Member State Y** (2017): The revenue received by Member State X from Member State Y is to be used to finance new projects and research in renewable energy.
- Agreement between **Member State X and Member State Y** (2017): The renewable energy target amount transferred shall first be renewable electricity quantities (wind, solar) and renewable heat quantities (solar, geothermal) and secondly renewable energy quantities from biomass issued out of a sustainable forestry in Member State X. The revenue received by Member State X from Member State Y is to be used to finance projects in the areas of renewable energy or energy efficiency.

Summary of design elements for statistical transfers

Table 1 details the design elements for statistical transfers, including a brief assessment on their suitability.

Table 1. Overview of design elements for statistical transfers

Design element	Design option	Consideration on applicability
Type and scope of cooperation		
Number of countries involved	Bilateral	Lower transaction costs to set up the cooperation; No prior experience necessary.
	Multilateral	More flexibility if one country does not deliver; Prior experience potentially required due to higher transaction costs.
Timing	Single year	Relevant if shortfall of buying Member State only pertains to the short term (e.g., 2020 target achievement). They entail a limited financial commitment of the buying Member State.
	Multiple years	Provide more certainty for both parties in terms of the agreed revenue stream and contribution to target achievement but presuppose an interest on both sides for a longer-term cooperation (e.g. as part of 2030 framework) and the capability to identify long-term need or surplus. Transaction costs may be reduced, and transparency increased due to the existence of one agreement for multiple transactions.
Timing	Year-ahead	Year-ahead arrangements allow for the short-term purchase of statistical transfers for the next year. Because of the short lead time, uncertainties related to the transfer are low.
	Future years (i.e. forward products)	Forward products allow for an effective planning of transfers, if needs for them are apparent already early on. They can address structural gaps and can limit risks in case they are combined with flexible call options for volumes, prices, or both. Without call options flexibility is reduced. They presuppose that Member States are able to precisely identify future needs or surpluses.
	Current or past year	May be relevant to e.g., flexibly account for unexpected shortfalls (e.g., as a result of external effects impacting electricity demand).
Flexibility on renewable energy volumes	Fixed renewable energy volumes	More suitable in case of predictable surplus or shortfall. It provides high planning certainty for buying Member States and stable revenue streams for selling Member States.

Design element	Design option	Consideration on applicability
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Flexible renewable energy volumes	Can reduce the risks (especially as part of longer-term agreements) related to need for additional renewable energy amounts for the buying Member State but provide a less certain revenue stream for the selling Member State. They may also reduce the overall transferred statistics if a lot of flexible volumes are not used in the end.
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Pricing

Price finding mechanism	Willingness to-pay or accept	A Member State’s willingness to pay or accept will be impacted by the general demand and supply situation, its country-specific costs and benefits, and its alternative options. These include national renewable energy deployment, joint projects support schemes, and statistical transfers with other Member States. Examples of impacting factors might be the concern of a Member State to not achieve its renewables target and resulting costs, the general state of the countries’ household or support scheme, the need of additional funds, and the public debate in the respective Member State. This approach is negotiation based and has the ability to consider country-specific characteristics.
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Price adaption over time	Fixed price	Reduces complexity and provides certainty for parties involved but may decrease acceptance for selling Member State, e.g., in case they are subject to increasing support costs.
	Flexible price	Entails higher uncertainties for the buying Member State, as purchase prices may change in the future but may increase acceptance of selling Member States, who can e.g., adapt prices to real costs of support.

Additional conditions attached to transfer

Types of additional conditions	Conditions on the source of renewables statistics	Increases public acceptance in buying Member State, e.g., by enabling similar standards as in national support scheme. May reduce willingness of selling Member State to cooperate.
	Conditions on how revenue is spent	Has the potential to increase public acceptance in buying and selling Member States and increase the uptake of statistical transfers. May foster longer-term cooperation in specific areas or technologies but implies increased bilateral and internal negotiation requirements.

Design element	Design option	Consideration on applicability
	Commitment to foster long-term cooperation	Increases added value of cooperation by extending its scope beyond purely providing statistical transfers (e.g., knowledge sharing) but implies increased negotiation and coordination requirements for both parties.
	To the general budget (no earmarking)	Revenue can be flexible in selling Member States but lack of earmarking of revenue may reduce public acceptance.
Destination of statistical transfer revenue flows	To national support scheme	Reduces support costs of consumers paying for surplus of national scheme in selling Member States, which may increase public acceptance.
	To additional support programme promoting specific goals	Establishing an additional support programme in selling countries implies an administrative burden but enables the reflection of common long-term priorities in statistical transfer arrangements, which potentially increases public acceptability.

3. HOW TO IMPLEMENT STATISTICAL TRANSFERS? (PROCEDURAL GUIDE)

This section offers Member States a step-by-step guide on how to implement a cooperation for statistical transfers. Figure 1 shows the necessary steps.

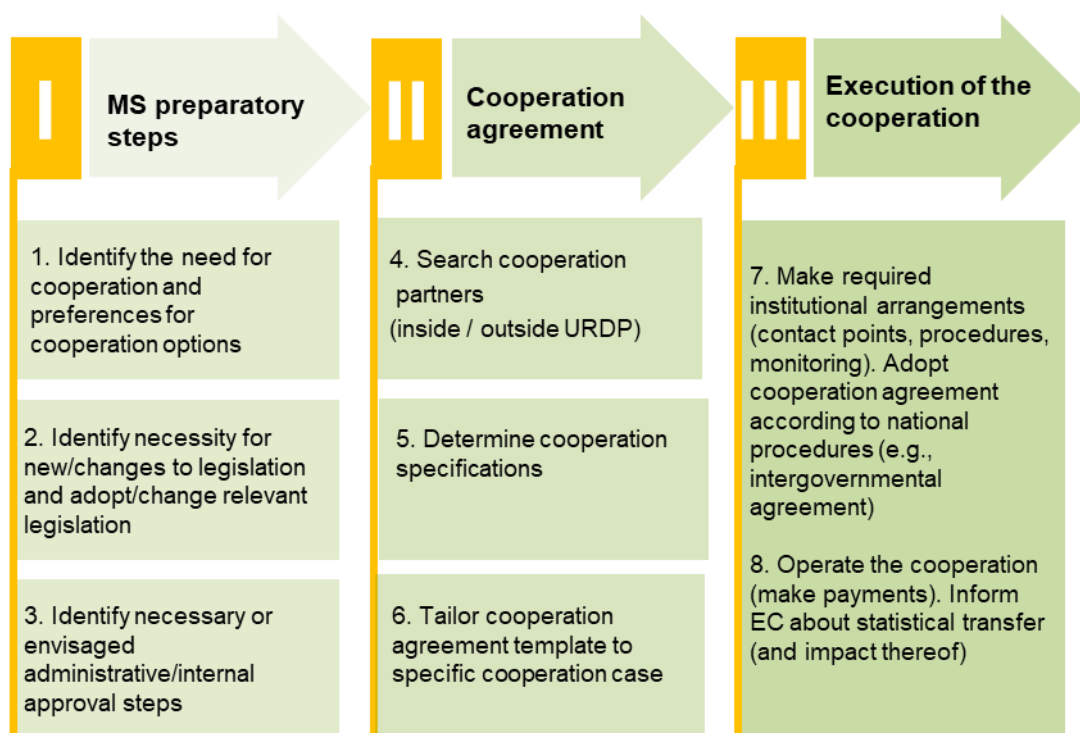


Figure 1. Steps for Member States to implement a cooperation for statistical transfers

I. Member States preparation phase

1. Identify the need for cooperation and preferences for cooperation options

The underlying need for statistical transfers will vary for different Member States and can change from year to year. To achieve an agreement within the national government and set preferences for cooperation options the need must be determined. The buying country needs to analyse the projected need for renewables target amounts to stay on or above the trajectory according to the Governance Regulation and in line with their NECPs. Member States may also consider future policy developments, including an increased ambition at EU level. Selling Member States need to do the same for the available surplus. Once a need (and opportunity) for cooperation is identified, Member States need to decide which cooperation mechanism they intend to use. This decision depends on Member States' needs and their willingness to integrate policies with other Member States. One of these options is the use of statistical transfers (i.e. the focus of this guidance). The statistical transfer is the simplest form of cooperation and results in a statistical accounting exercise, i.e., no integration of policies is required.

2. Identify necessity for new/changes to legislation and adopt/change relevant legislation

Once the needs and preferences for the cooperation are established, Member States need to check the existing legislation to see whether a potential cooperation can be carried out. This relates to whether national laws anticipate the possibility of statistical transfers. Moreover, it is necessary to specify relevant procedures at the national level and the responsible entity to conclude statistical transfer agreements, which may be the head of government, government ministers or heads of department. If the relevant legislation is missing or requires adaptation, new legislation or a revision to the current legislation need to be considered.

3. Identify necessary or envisaged administrative/internal approval steps

Transfer negotiations may involve several Ministries (e.g., Energy, Environment, Economy, Finance, and Justice or Legal Services) and require parliamentary budget approvals. The extent of and time needed for internal approval procedures usually relates to whether Member States conclude statistical transfer agreements as administrative agreements or as international treaties that typically entail higher approval requirements (e.g., approval by parliament or head of government). To minimise the time needed for this process, identify necessary internal approve steps in advance, before going into the actual negotiation phase with another Member State. Moreover, Member States intending to cooperate should communicate the expected time required for internal approval procedures early in the process so lead times until agreements can be concluded. Member States should also appoint a national contact point for the statistical transfer agreement with an operating mandate, for instance their national energy agencies.

II. Statistical transfer agreement phase

4. Search cooperation partners

The platform will help create transparency on available opportunities for potential statistical transfer arrangements among interested Member States. Such opportunities include who wants to sell and buy, what quantities are made available for which years and at which prices, if the selling Member State intends to attach additional conditions, and the Member State's relevant contacts. Combined with a matching mechanism on the platform and additional supporting resources (such as this guidance document and an agreement template), this aims to facilitate statistical transfers.

Member States can search for agreement partners by using the URDP's matching services. In this context, the URDP offers a range of services facilitating statistical transfer among Member States intending to cooperate, including:

- The "Overview" section provides an aggregated overview of potential demand and supply for statistical transfers and a Member State overview showing each Member State's renewable energy volumes and possible submissions to the URDP, including contact information for the responsible policy officer in the Member State.
- The "Find a transfer partner" section provides a matching tool to identify potential partners for statistical transfers, including full matches (i.e., only one potential cooperation partner), partial matches (i.e. including one potential cooperation partner able to partially cover the requested volume), and combined matches (i.e. combination of two Member States covering the complete requested volume). Member States may base their search on three different data sources, namely "demand and supply submitted by the Member States to the URDP,"

“Assessment of Member States’ progress reports,” and “Individual Member State progress reports.”

- In the “Submit data” section, Member States can submit volume and price indications, if they are available for a statistical transfer.
- The “Completed transfers” section lists all existing transfers notified to the Commission.
- The “Guidance” section provides templates, notice forms, and guidance documents.

Alternatively, Member States may continue to identify potential cooperation partners individually (i.e., as in the status quo), following their own assessments and bilateral intergovernmental dialogues.

5. Determine cooperation specifications

On the basis of the direct negotiations among themselves, the participating Member States can design statistical transfer arrangements through a range of options to address their needs and willingness to integrate policies with other Member States. The statistical transfer agreement will have to contain decisions on the type and scope of cooperation (e.g., number of involved parties, timing, volumes), the pricing (e.g. determination of transfer price, price adaption mechanism), and if applicable, additional conditions attached to transfer (e.g. how are revenues spent). Section 2 summarises these design elements.

6. Tailor statistical transfer agreement template to specific cooperation case

A statistical transfer agreement is required to establish a legally binding commitment between Member States in terms of the specific design applicable for the statistical transfer arrangement (e.g., price, quantities, timing) and other issues such as compliance risks, applicable dispute settlement procedure (e.g., domestic judicial proceedings or international arbitration), and force majeure. Section 4 provides a template for such an agreement. Member States can use this template to develop a tailored agreement in line with the design specifications of the statistical transfer as agreed upon between cooperating Member States.

III. Execution phase

7. Make required institutional arrangements

Member States need to establish the required contact point within the responsible entity that has been given the operating mandate for administering and overseeing the statistical transfer. Moreover, the exact procedures and responsibilities to conduct the agreed transfer at the national level need to be determined in advance (e.g., notifying the Commission, making payments, monitoring additional conditions, if applicable).

8. Operate the cooperation

According to Article 8(4) of Directive 2018/2001 each Member State must notify the Commission of their agreement 12 months after the end of each year for which the

transfer has taken place at the latest. Notification requires a letter providing at least the quantity of energy transferred and its price, whereupon the Commission services publish the information on the URDP. In addition, according to Article 7(3) of Commission Delegated Regulation (EU) 2021/2003 , the Commission shall make available on the URDP information on statistical transfer agreements concluded on it, including their timing, volume, price, additional conditions and the related statistical transfer agreement, as well as information on the timing, volume and the participating Member States with regard to statistical transfer agreements concluded on the basis of Article 8 of Directive (EU) 2018/2001 as well as on Article 6 of Directive 2009/28/EC outside the platform.

In addition, buying Member States need to make the payments for received statistical transfers, as outlined in the agreed payment schedule. Finally, Member States need to monitor compliance with potential additional conditions agreed among them (e.g., in terms of the source of statistical transfers or the use of transferred funds).

4. TEMPLATE FOR BILATERAL STATISTICAL TRANSFER AGREEMENTS

A statistical transfer agreement is required to establish a legally binding commitment between Member States in terms of the specific design applicable for the statistical transfer arrangement (e.g., price, quantities, time periods) and other issues such as compliance risks and applicable dispute settlement procedure. The entity responsible for concluding agreements is a question of national jurisdiction. It may be intergovernmental (i.e., signed by the governments of both Member States), potentially requiring approval by the parliament, or an administrative agreement (e.g., signed by heads of departments).

On the URDP (Tab “Guidance”), Member States can download an agreement template³ for a statistical transfer arrangement between one selling and one buying Member State. This template provides a general structure and minimum provisions to include in a statistical transfer agreement, and it can be tailored to Member States’ requirements and the specific design of any statistical transfer arrangement.

³ This template is based on a draft agreement template developed as part of the EU project “Cooperation between EU MS under the Renewable Energy Directive and interaction with support schemes” and recent statistical transfer agreements.

5. CONCLUSION

Statistical transfers are one of three types of renewables cooperation mechanisms as defined in RED I and the recast RED II. They offer Member States the flexibility to increase their statistical renewable energy share. This helps Member States meet their 2020 renewables target and their planned national contribution to the EU renewables target in 2030. Despite the manifold benefits of statistical transfers, there are several barriers to implement statistical transfers, such as finding the right cooperation partners, determining prices acceptable to the involved parties, and overcoming the high transaction costs for Member States to design and implement statistical transfer arrangements.

In this context, Article 8 of the RED II provides that “the Commission shall establish a URDP.” The platform will help create transparency on available opportunities for potential statistical transfer arrangements among interested Member States.

Besides the platform’s central matching mechanism, it provides additional supporting resources, in particular, this guidance document and a template agreement.

This guidance document covered the following elements:

- *Guidance on the benefits of and design elements to be considered for setting up statistical transfer arrangements* (Section 2): Statistical transfers entail various benefits, including the flexibility they provide buying Member States in complying with 2020 targets and the baseline requirement post-2020 and the national trajectory in the National Energy and Climate Plans (NECPs) and the generation of revenues for selling Member States. Statistical transfer arrangements can be designed via a range of options to address Member States’ needs and their willingness to integrate policies with other Member States. In general, design elements can be grouped into the type and scope of cooperation (e.g., number of involved parties, timing, volumes), the pricing (e.g., determination of transfer price, price adaption mechanism) and additional conditions attached to transfer (e.g., how revenue is spent).
- *A procedural stepwise guide on how to implement statistical transfers* (Section 3): This section detailed a stepwise guide on how Member States may implement a cooperation for statistical transfers, including preparatory steps in Member States, the drafting of the statistical transfer agreement, and the execution of the statistical transfer.
- *A template for bilateral agreements on statistical transfers* (Section 4): A statistical transfer agreement is required to establish a legally binding commitment between Member States in terms of the specific design applicable for the statistical transfer arrangement (e.g., price, quantities, time periods) and other issues such as compliance risks and applicable dispute settlement procedure. On the URDP (Tab “Guidance”), Member States can download an agreement template for a statistical transfer arrangement between one selling and one buying Member State.

In summary, this guidance document aims to facilitate statistical transfers and intends to further untap their potential. Note that the use of this guidance document and of statistical transfers are voluntary for Member States and they are not limited by it. While Member States are encouraged to make use of and follow the guidance, it has no legal merit and

does not impact the transfer. Directorate-General for Energy (DG ENER) of the European Commission remains available for further support on statistical transfers.