



Leaseurope Position- Draft Implementing Regulation on the Union Renewable Finance Mechanism

Leaseurope, the European Federation representing the leasing and automotive industries, supports the Commission's aim to improve the deployment of renewable energy sources across the EU. The Commission has underlined that the purpose of the proposed Renewable Energy Finance Mechanism will be to enable Member States to work more closely together to meet their renewable energy targets, which will be achieved through improving the availability of renewable energy across the EU's Member States, and addressing the current disparities that exist between Member States in this context.

The leasing industry, with its strong focus on maintaining assets and utilising them until the end of their normal lifecycle- and giving assets a second and third lifecycle where possible- could play a crucial role in facilitating the transition towards an increased use of renewable energy, and helping reach their interim target of at least 32% of the EU's energy to be renewable by 2030. Moreover, with the transport sector being specifically referenced in the proposal as a key sector in the move towards renewable energy, the leasing and automotive rental industries will be an important contributor in enabling Member States to scale up the infrastructure necessary to provide renewable energy (such as charging stations for electric vehicles) and make it widely available. This will be a key component in increasing the uptake of vehicles which utilise renewable energy.

There are a number of factors that make the leasing and automotive rental industries ideally placed to help facilitate this important transition. In addition to the circular nature of the industry, leasing assets for use in the public sector is already common in numerous other sectors across Member States due to the many benefits it offers. In sectors such as healthcare, where equipment is both costly and fast changing due to rapid advances in technology, leasing offers the level of flexibility needed to allow national healthcare providers to use up to date technology at a reduced cost.

The technology needed to make renewable energy available across Member States is similarly rapidly evolving -for example in the area of battery development- so allowing Member States to utilise leasing would have clear benefits in this context, and indeed in the context of the sustainable transition more generally. Currently, a significant number of assets that produce renewable energy -such as solar panels and wind turbines- are already leased. Leasing an asset would allow Member States to upgrade their renewable energy infrastructure, at a minimal additional cost, and would enable them to create this infrastructure on a larger scale, since the cost of acquiring these assets is significantly less than if they were to purchase them outright. Additionally, the impact of the recent COVID-19 crisis will have major repercussions on the amount of resources available to Member States

for this type of infrastructure, so encouraging the use of leasing where appropriate would have clear benefits.

In order to enable the leasing and automotive rental industries to aid in this transition however, the funds made available through the proposed mechanism must be applicable to leased assets. In previous support programmes of a similar nature, leased and rented assets were not always included in the eligibility criteria. This issue has most recently been addressed in re-cast Clean Vehicles Directive which clearly notes that “In order to help ensure that the potential benefits are fully exploited, the Commission should provide guidance to Member States with regard to the different Union funds that might be used, and should facilitate and structure the exchange of knowledge and best practices between Member States in order to promote the purchase, lease, rent or hire-purchase of clean and energy-efficient road transport vehicles by contracting authorities and contracting entities”. The role leasing can play in this context was also referenced in the 2017 GEAR 2030 report.