

Opening Speech

By Prof. Arthrouros Zervos, President of EWEA

Dear Peter Ahmels
Dear Mr. Müller,
Dear Methtild Rothe,
Dear Mr. Barbasso
Dear Participants,

First of all, let me thank you all for your overwhelming interest in our annual conference and in particular in wind energy. Welcome to the 2007 European Wind Energy Conference!

Let me also thank the Italian authorities for their commitment in the preparation of this conference. As Peter Ahmels has pointed out in his introductory remarks, Italy has throughout history been a centre for culture, entrepreneurship and innovation. In this critical moment for the European energy sector, we should all take the example of the industrious Italian cities and move forward!.

Our previous speakers have had warm words and inspiring outlooks on the future of wind energy deployment. What we have heard is a strong commitment for a rapid development of renewable energies, including wind, which can contribute to increasing the security of our energy supply, but also to reducing greenhouse emissions significantly and contributing to the Lisbon strategy of the European Union by creating new jobs and delivering economic opportunities to our regions.

Let me start with some figures that will proof that the wind energy sector is ready and more than willing to accept these challenges.

Ladies and Gentlemen,

In 2006, the wind energy sector broke new records in terms of wind power capacity installed, with an installation of 7,588 new MW in the European Union. This represents an annual growth of 23% and is worth some 9 billion euros. Total installed capacity stands now at 48,000 MW, equal to 3% of total EU electricity consumption.

This figure is remarkable in itself and reflects the European Union's leadership in the field of renewable technologies. But let me show you some details that prove that the development of the sector is not only positive but also balanced and with a bright future.

Germany and Spain continue to attract the majority of investments. In 2006 these two countries represented 50% of the EU market. However, the figures confirm a healthy trend in the European market

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towards less reliance on them. In 2002, only 680 MW of European wind power capacity was installed outside the first-mover countries: Germany, Spain and Denmark. Last year, the figure was 3,755 MW. The figures clearly confirm that a second wave of European countries is investing in wind power. Member States like Italy, France, Portugal, the United Kingdom, Ireland and Netherlands, to name but a few, are embracing the wind revolution.

We are now witnessing the strong effect of the Renewable Electricity Directive passed in 2001, which has put the foundation for the development of the sector in all EU countries. Let me take this opportunity to urge the European Commission and the Council to introduce safeguard measures that ensure legal stability for renewable electricity in Europe while the negotiation of the 2020 framework takes place.

Ladies and gentlemen,

The situation of the wind energy sector is thus positive in the European Union but also in many other regions of the world. Countries like the United States, India, China and some Australian states have become top of the list in terms of attracting new wind energy investments. Last year, 2,454 new MW were installed in the US and 1,347 in China. Globally, growth rate for wind energy in 2005 was 32%. These results are indeed encouraging for the sector in terms of economic opportunities and for the citizen. They also show that politicians worldwide are giving more weight to renewable technologies that fight climate change. However, we should be aware that the European Union will have to play harder if it wants to maintain its world leadership.

This is where the political context becomes crucial. The decision taken in March this year by the Council of Ministers has indeed opened a new era for the future of the European Union. During the public debate that took place in 2006 and during the first months of 2007, it was made clear that the European Union could no longer face increasing energy dependence on fossil fuels and the environmental damage that climate change is causing to our world. The decision of relying more upon renewable energies is indeed correct, and will bring many benefits to our continent, not only in terms of indigenous energy production and climate stability, but also in terms of innovation, economic growth and job creation. I can only congratulate our policy makers for having agreed on such a necessary step.

Ladies and gentlemen,

The wind energy sector is willing to accept the challenge of the 20% target for 2020 and constitute and clean, competitive and reliable solution to the energy mix of the European Union.

According to our estimates, the wind energy sector will be capable of supplying between 12 and 15% of the EU electricity demand by 2020. This is equivalent to a total wind energy capacity installed of 180 GW in the European Union, a third of which could come from offshore wind. This is an ambitious figure indeed, which will translate into tangible benefits for all EU countries.

It will also mean new jobs in and for Europe: around 370 000 jobs according to the EU-funded MITRE study, lower energy bills from high and unpredictable fossil fuels and large amounts of greenhouse gases avoided.

The technological improvements will allow us to produce much more with fewer turbines and at a lower cost. Already today one of our standard turbines produces annually 180 times more electricity and at less than half the cost per kWh than its equivalent twenty years ago.

Ladies and gentlemen,

This is what the wind energy sector can offer to the European citizens.



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But for that to happen, a number of challenges and barriers still need to be overcome. Most of them are well-known to our colleagues of the European Commission and to the national Governments: they often point at them in their monitoring reports, like the one that was published in January on the progress of the renewable electricity directive.

We are at a very crucial moment, with the negotiation of new framework legislation for renewable energies up to 2020. This piece of legislation, together with other complementary measures, can make the difference between our present situation and a brighter energy future.

It is the objective of this Conference to discuss them, but let me briefly introduce the main points that in my personal view and in the view of the wind industry will determine the ability of our sector to carry out our ambitious plans.

The wind energy sector still believes that the 20% binding target should be combined with sector-specific targets on the part of the Member States. All three energy sectors –electricity, heating and cooling, biofuels- contribute to a sustainable, secure and competitive energy supply, but the industries, the needs, the barriers to growth and the necessary frameworks behind each are substantially different. Reaching technological diversity within the renewable energy sector is crucial and the aim of any support mechanism should be to encourage and strengthen this diversity. Different renewable energy sources cover different energy needs and therefore need to be treated differently.

For that reason, we believe that the national action plan that has to be prepared by the European Union Member States should include sector-specific targets and concrete measures on how to achieve them. Only with that level of detail will the Member States and the European Commission be able to monitor whether the plans are on a good track or not.

In addition, the negotiation of the new framework legislation up to 2020 should not jeopardize the existing renewable electricity directive. As I said at the beginning of my speech, this directive has proved extremely successful in triggering renewable energy investments in Europe. Uncertainty for the investor has to be avoided, so that renewable energy projects will continue during what could be a long negotiation process. The renewable electricity directive should not be put on the table for a new and full legislative process; instead, the discussion should be kept at a minimum that maintains the main points while strengthening the weakest articles.

The success of renewable energy technologies, notably those that are used to produce electricity, will depend to a great extent on the existence of a truly competitive European electricity market. The European Commission, the Parliament and the Council need to make sure that they put into effect measures that effectively fight against market power and dominant positions. I believe that the ownership unbundling that was proposed by the European Commission in its Energy Package could constitute a good first step to achieve so.

The creation of an EU-wide electricity market also requires grid reinforcement and better interconnection between Member States. The wind energy sector has a concrete proposal to make here, which is the construction of a European offshore grid.

Precisely on this matter, I would like to attract your attention to the fact that for the 20% target to be reached, offshore wind will have to be extensively developed. The construction of an offshore grid in the European seas is only one of the steps that have to be taken for the consolidation of this technology. Others have to do with the simplification of the administrative procedure, a better land and sea planning and the socialisation of the grid costs. All these aspects should be covered by an EU Action Plan on

Offshore Wind, to be developed by the European Commission and the Member States on the basis of the documents that already exist as prepared in Egmond, Copenhagen and Berlin.

Finally, I would like to draw your attention on the often disregarded aspect of research, development and innovation. The wind energy sector devotes a substantial amount of resources to research and development, with the results that we all know. However, private funds normally do not cover long-term issues and priorities. This is where public funds have an important role to play. The Strategic Energy Technology Plan that is under discussion now should take this into consideration, also the fact that our sector is a world leader and that continuous R&D efforts will be needed if we want to continue on this track. The launch, in October 2005, of a European Wind Energy Platform can deal with the prioritisation of needs and with achieving a better co-ordination between actors, but will not solve the difficulty of getting funds.

Ladies and gentlemen,

This year the European Wind Energy Association is celebrating its 25th Anniversary. I am sure that in 25 years time, we or our successors will be meeting in a similar conference to discuss the perspectives of what will constitute one of the main sources of electricity generation in Europe and in the world. I very much hope that the debates during this conference will help to shape that future. I wish you all interesting and stimulating debates during the coming days. Thank you very much for your attention.



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