



Council of the European Union
Rue de la Loi 175
Brussels

Brussels, 25 October 2017

Dear Ministers,

We are writing to set out the concerns of the European wind industry regarding the ongoing Council deliberations on a new governance mechanism in the context of the Clean Energy Package.

Our industry can make a substantial contribution to the energy transition you are undertaking in your country. Onshore wind is now the cheapest form of new power generation capacity, and offshore is not far behind. Technology developments have also made it much easier and cheaper to integrate variable renewables in the energy system. Wind creates growth and jobs (now 300,000 across Europe) and reduces fossil fuel imports. And of course it also reduces CO2 emissions.

The countries that have been most successful in reducing the costs of wind energy have been those that gave the wind industry clear long-term visibility on the policy and regulatory framework. We are an industry that lives on long-term investments: in factories; test facilities; skills development; and research and innovation. We invest where we see forward stability in policy and regulation. Investments then create efficiencies and economies of scale and drive costs down. The Netherlands is a good example: the government announced a five-year programme of offshore wind auctions (700MW / year). The industry invested. Costs fell.

A robust and reliable governance framework is therefore central to sustaining the strong wind energy industrial base in Europe and the pace of cost reduction. We were expecting the new governance mechanism to provide clarity and certainty to investors on renewables development in European markets comparable to the 2020 regime.

Instead, we understand that many of the elements of the European Commission's proposals on a Governance Regulation have been substantially downgraded in Council discussions. The timetable for the 2030 National Energy and Climate Plans has moved. The template for the Plans is now largely voluntary. And the arrangements for overseeing delivery of the EU renewables target are looser than they were.

On 27 October COREPER will give strategic guidance on the way forward for the Governance Regulation. We urge you on this occasion to show ambition on the key provisions of the Regulation that can make or break the EU's renewables success story in the next decade. Namely:

- 1) **Investors need clarity on deployment volumes**: if you are running factories that make e.g. wind turbines, you need to know what new capacity different governments want in the next few years. It shapes your business and helps you keep people in jobs. It also gives you confidence to keep investing in innovation. It is essential that 2030 national plans outline the planned deployment volumes per technology, including repowering.
- 2) **Investors need coherent and detailed national plans**: national plans will be our reference documents for making business. They need to provide the same, standardised and reliable information for all Member States with an appropriate level of detail that can allow us to make investment decisions. Together with deployment volumes, it is crucial for industrial planning that the plans clearly outline how countries will a) develop the necessary transmission and distribution infrastructure, b) address overcapacity in power assets and c) increase the flexibility of their energy systems to accommodate variable generation.
- 3) **Investors need reliable renewable energy trajectories**: keeping wind energy jobs and growth in the EU requires that we know renewables will grow within our home market. National renewable energy deployment trajectories must provide a minimum binding share that all Member States deliver. The deployment must follow a stable trajectory starting with the 2020 national renewable energy targets and gradually increasing the share of renewables in the national power mix by 2030.
- 4) **Investors need adequate oversight over target delivery**: non-binding recommendations of the European Commission and a purely iterative dialogue on national plans provide no legal certainty to investors. They do not guarantee that changes to national policies or a deviation from the Union trajectory will be addressed in time to deliver the EU 2030 binding target. If the Regulation's main goal of providing investment certainty is to be observed, the Commission's recommendations must be binding at least for the Energy Union dimensions with 2030 binding headline targets.

Getting these four points right is crucial in providing a Regulation that makes sense for the industry and can attract the necessary investment volumes to deliver the EU 2030 renewables target cost-effectively.

We look forward to the positive contributions we trust you will be making at COREPER level on 27 October.

The signatories:

ACCIONA
ABB
Asociación Empresarial Eólica (AEE)
Danish Wind Industry Association (DWIA)
DONG Energy
EDP Renewables
Energie Baden-Württemberg (EnBW)
Eneco
ENERCON
Envision
E.ON Climate & Renewables
ERG SpA.
GE Renewable Energy
Iberdrola
MHI Vestas
Nordex-Acciona Windpower
Polish Wind Energy Association (PWEA)
RES Ltd.
Sentient Science
Siemens Gamesa Renewable Energy
Vattenfall
Vestas