

WindEurope feedback to the “draft Taxonomy Delegated Act”

17 December 2021

WindEurope welcomes the draft Commission Delegated Regulation supplementing Regulation (EU) 2020/852 on the definition of the economic activities that could be considered substantially contributing to climate change mitigation or adaptation, while not significantly harming the other environmental objectives.

Wind energy is generally well captured in the draft Delegated Act, recognising its positive impact to mitigate climate change in line with the EU Green Deal objectives. **However, we would like to suggest some changes in the screening criteria in sections 3.1 and 4.3 of Annexes I and II**, outlined in page 3 of this response. These would better reflect the higher expectations that investors, Governments, and society have on wind energy.

The wind industry is committed to the transition to a circular economy¹ in line with the new EU Circular Economy Action Plan². Already today the wind industry actively seeks to improve the wind energy’s (high) environmental performance and further reduce environmental impacts throughout the wind turbines’ lifecycle. For example:

- Wind energy has one of the lowest greenhouse gases emissions throughout its life cycle compared with other energy sources³;
- Wind turbines are long-life products - the standard design lifetime of a wind turbine is 20-25 years, with some turbines now reaching up to 35 through lifetime extension;
- The environmental footprint of sourcing suppliers is considered in wind turbine’s life cycle assessments;
- During siting and installation developers optimise the positioning of wind farms via environmental impact assessments as well as engagement with local stakeholders to minimise impacts;
- Around 85 to 90% of wind turbines’ total mass can be recycled⁴. Most components, for example the foundation, tower and components in the nacelle have long-established recycling practices.

But challenges remain. Wind turbine blades are difficult to recycle. The available solutions today are not yet mature enough, widely available at industrial scale and/or cost competitive. Currently there are at least seven potential routes to treat wind turbine blades⁵. The technology race is still open, and the coming years will show which will be the most economical and the most sustainable.

¹ WindEurope, 2017. Background paper on the environmental impact of wind energy – a contribution to the circular economy discussion. Available online at <https://windeurope.org/wp-content/uploads/files/policy/topics/sustainability/Circular-Economy-paper-20170418.pdf>

² European Commission (2020) Circular Economy Action Plan: For a cleaner and more competitive Europe. Available online at https://ec.europa.eu/environment/topics/circular-economy_en

³ IPCC, 2018. Chapter 7 Energy Systems (Figure 7.6 p.539) Available online at https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter7.pdf

⁴ Cefic, EuCIA, WindEurope, 2020. Accelerating Wind Turbine Blade Circularity. Available online at <https://windeurope.org/wp-content/uploads/files/about-wind/reports/WindEurope-Accelerating-wind-turbine-blade-circularity.pdf> [accessed 20 July 2020].

⁵ See: <https://windeurope.org/wp-content/uploads/files/about-wind/reports/WindEurope-Accelerating-wind-turbine-blade-circularity.pdf>

Today, **cement co-processing** is one tested and available measure to treat composite waste. This technology avoids landfilling and makes the cement industry less energy intensive and more resource efficient^{6, 7}. Currently, only one plant in northern Germany treats decommissioned blades with this technology. More plants throughout Europe could potentially adapt to use decommissioned blades as one of the main input materials. **But this activity would need to be recognised in the Taxonomy Delegated Act to facilitate investment flows.** Therefore we call on the European Commission to include **additional ‘do no harm’ criteria in the manufacturing of cement that favours the reuse of composite material from wind turbine blades** (see page 4).

Separately, wind energy uses a variety of **advisory services** (e.g. feasibility study, due diligence reports in all fields) which are not explicitly mentioned in Annexes I and II of the draft Delegated Act. **We encourage the European Commission to clarify that these activities are covered within sections “4.3 Electricity generation from wind power” in both Annexes.** And we want to note that in Annex I, activities might face difficulties to proof effective adaption by scenario analysis in line with the taxonomy requirements. As the EU initiative on climate related risk disclosure will ask for something similar alignment is required.

In addition we noted that the draft Delegated Act does not explicitly mention the **manufacturing electrical equipment**. As the text stands, electrical equipment and components are mentioned across several activities of end-users (transmission, distribution of electricity, buildings, etc.). WindEurope supports the explicit inclusion of manufacturing of equipment and systems for the management of electricity in a specific section named “manufacture of electrical equipment” in Annexes I and II. This would capture the enabling role of electrical equipment for climate change mitigation.

Similarly, **the financing itself** of activities outlined in the taxonomy should be explicitly mentioned in Annex II of the Delegated Act, for both within and outside the EU. In particular financing activities to conduct export finance (lending and export credit insurance activities).

Last, we would like to highlight that **recital (12) of the Delegated Act** on manufacturing activities for which there are no technologically and economically feasible low-carbon alternatives could propose a classification of such activities to allow investors to make better and qualified judgement if a certain activity for climate risk mitigation or adaption is meeting the investment demand profile in that regard. We suggest:

- Class A+: Activity that fulfills requirements of climate risk mitigation and adaption and is beneficial in regards other ESG related criteria not related to climate change
- Class A: Activity that fulfills requirements of climate risk mitigation or adaption and is at least neutral or do no harm in regards other ESG related criteria not related to climate change
- Class B: When a company meets partially the requirements of climate risk mitigation or adaption (for example: manufacturing of gear boxes for wind power plants, but also for other industrial sectors), the taxonomy could define a threshold on the revenues needed to meet the taxonomy.
- Class C: All activities classified as transitional

⁶ Thomas Wegman (EuCIA), 2020. Recycling Composites: Integral Part of Wind Turbine Blade Life Cycle presentation at the First Value Chain Meeting of the Moonshot Project, August 28 2020.

⁷ Cefic, EuCIA, WindEurope, 2020. Accelerating Wind Turbine Blade Circularity. Available online at <https://windeurope.org/wp-content/uploads/files/about-wind/reports/WindEurope-Accelerating-wind-turbine-blade-circularity.pdf> [accessed 20 July 2020].

Suggested amendments for screening criteria in sections 3.1 and 4.3 of Annexes I and II

Section	Do no significant harm ('DNSH') criterion	Current wording in Delegated Act for consultation	Amendments (in blue)
3.1 Manufacture of renewable energy technologies	(4) Transition to a circular economy*	<p>The activity assesses availability of and, where feasible, adopts techniques that support:</p> <p>a. reuse and use of secondary raw materials and re-used components in products manufactured;</p> <p>b. design for high durability, recyclability, easy disassembly and adaptability of products manufactured;</p> <p>c. waste management that prioritises recycling over disposal, in the manufacturing process.</p>	<p>The activity sets zero waste strategy to assess the assessment availability of and, where feasible, adoption of techniques that support:</p> <p>a) durability of product design</p> <p>b) reuse and use of secondary raw materials and components in products manufactured;</p> <p>c) easy disassembly and adaptability of products manufactured;</p> <p>b. design for high durability, recyclability, easy disassembly and adaptability of products manufactured;</p> <p>c. waste management that prioritises recycling over disposal, in the manufacturing process.</p> <p>d) preservation of materials and resources by means of responsible production and consumption, including reuse, repair, remanufacture or recycling and excluding incineration without energy recovery or landfilling.</p>
3.1 Manufacture of renewable energy technologies	(5) Pollution prevention and control	N/A	<p>The activity sets an environmental management system to secure efficient and continued improvement of their environmental performance.</p>

4.3 Electricity generation from wind power	(4) Transition to a circular economy*	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.	<p>The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.</p> <p>The activity sets zero waste strategy to assess availability of and, where feasible, adoption of techniques that support:</p> <ul style="list-style-type: none"> a) high durability of products purchased b) easy disassembly and adaptability of products manufactured; c) reuse and use of secondary raw materials in products purchased d) preservation of materials and resources by means of responsible production and consumption, including reuse, repair, remanufacture or recycling, and excluding incineration without energy recovery or landfilling.
4.3 Electricity generation from wind power	(5) Pollution prevention and control	N/A	The activity sets an environmental management system to secure efficient and continued improvement of their environmental performance.

Suggested amendments for screening criteria in section 3.6 of Annexes I and II

Section	Do no significant harm ('DNSH') criterion	Current wording in Delegated Act for consultation	Amendments (in blue)
3.6 Manufacture of cement	(4) Transition to a circular economy	N/A	The activity assess availability of and, where feasible, adopts techniques that support preservation of materials and resources by means of responsible production consumption, including reuse and recovery of materials and energy