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President of the European Renewable Energy Council

3rd European Renewable Energy Policy Conference

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(Check against delivery)

Dear State Secretary for Energy Ola Altera,

Dear Member of Cabinet Peter Vis,

Dear Anni Podimata,

Ladies and Gentlemen,

First of all let me extend to you all a warm welcome to Europe's most important renewable energy policy conference. And in particular a warm welcome to our guests from outside the EU.

It is a pleasure for me to see something that has not happened very often in the past: Already at the Opening Session a

representative of the EU Presidency, the Commission, a Vice-President of a European Parliament's committee and the European Renewable Energy Industry found an agreement:

We have to make renewable energy the mainstream source of our energy system! We have to do this not only because the world is confronted with the challenges resulting from climate change, but also because of increasing import dependency and rising fossil fuel prices as well as a global economic crisis.

We seem to agree that renewable energy is not only our chance to mitigate climate change, but at the same time be the engine to getting the global economy back on a pathway to economic growth. A growth, that is neither disrupting our planet nor our societies, but a sustainable growth getting thousands of people into future-oriented jobs. And this is already happening – not in a virtual world, but in real terms. Already today the European Renewable Energy Industry is providing more than 450.000 jobs and has an annual turnover exceeding 45 billion EUR. Renewable energy already contributes to one-quarter of the EU's 20% greenhouse gas

commitment and reached a share of about 10% in final energy consumption. These are not mere figures – this is the competitive advantage of Europe!

Renewable Energy is the key for a sustainable 21st century economy with enormous job creation. EREC believes that in the next decade our industry can deliver more than two million jobs.

Ladies and Gentlemen,

Some tend to say that the binding target of “at least 20%” renewable energy in 2020 is an ambitious, maybe even an overambitious goal for the EU.

But sorry – this ignores the progress of renewables in recent years. Only from 2005 to 2007 we saw an increase in the contribution of renewable energy to final energy consumption from 8.6 up to 9.9% - a growth that is only driven by the Directives on renewable electricity and biofuels and the efforts of maybe 5 to 6 EU countries. So assuming that this trend continues just in a business-as-usual, so only with the electricity

and biofuels Directives in place and a few Member States active, we would reach already 18.3% by 2020!

Therefore, I am convinced that the new Renewable Energy Directive with its national binding targets for each and every one of the 27-EU Member States will enable Europe to reach even more than the minimum of 20%!

I am optimistic that the future will prove the European Parliament right, when it called for a renewable energy target of 25% in its report on the Commission's Green Paper on Energy.

But of course, we all know that the work didn't stop with the agreement of the European Parliament and the Council last December – No, the work has only just started!

Of key importance are the National Renewable Energy Action Plans that Member States have to submit to the Commission by June next year. They are vital!

They are vital as they will be the major tool in ensuring that all 27 Member States provide a reliable framework and reach their

binding national targets by 2020. They will set the scene for investors, local and regional communities and industry, pointing the way for the construction of new energy infrastructures and for the massive creation of new jobs and businesses in the energy sector. But be aware: There are only 7 months left to write these national action plans!

Honestly, it is now time to explore and fulfil the huge potential for job creation, energy security and climate protection in all 27 Member States by supporting renewable energy. Nobody should miss this unique opportunity!

But the full transposition of the EU Directive means not only specifying binding targets, but in particular responding to requirements such as grid access, buildings or sustainability criteria for biofuels.

Member States have to make sure that TSOs and DSOs grant dispatching priority to renewable electricity and they also have to better facilitate the integration of biogas into the gas networks.

In addition, the advantages of renewable energy heating and cooling have to be fully explored. 40% of Europe's energy demand is consumed for heating and cooling purposes, most of it in buildings. The Renewable Energy Directive is a good step in the right direction, as Member States public buildings have to fulfill an exemplary role as from 2012 onwards and shall require by 2014 the use of minimum levels of renewables in all buildings. But we have to go beyond these requirements. We should look to the future. What will our homes look like? The only answer can be: all new buildings should produce as much energy as they consume – they should be "net-zero energy". In this regard, the current recast of the Buildings Directive as well as a new Energy Efficiency Action Plan are key.

Looking to the transport sector one thing becomes obvious: the EU has to move away from its use of oil. At present, the EU is importing 98% of its transport fuels from third countries. At the same time the transport sector is a major contributor to

greenhouse gas emissions accounting for more than one-quarter of all greenhouse gas emissions in Europe. Biofuels have a key role to play both in improving energy security and tackling climate change. The new sustainability criteria set by the Renewable Energy Directive now have to be properly implemented, ensuring further successful deployment of biofuels and enabling the European Biofuels Industry to meet the binding target of 10% in 2020.

A renewable energy grid system, buildings of the future and sustainability criteria that are truly sustainable, along with financing innovation and research, all of this is needed if Europe wants to meet its targets and clearly progress towards an “energy efficient renewable energy based economy”.

Obviously, there is a strong need for new investments. As Peter Vies outlined on behalf of Commissioner Piebalgs: Policy-makers do not make these new investments themselves. The industry is making them. And I totally agree: These new

investments require clear and stable frameworks and full public support.

So EREC welcomes the recent SET-Plan Communication on Investing in Low-Carbon Technologies put forward by the Commission. Yes, we need an increase in research and development and demonstration spending. Additional funding needs for renewable energy initiatives of about 30 billion Euros plus 11 and 5 billion Euros for Smart Cities and the Research Alliance respectively are assumed for the next ten years. However, we regret that the Commission finally did not table concrete proposals for the allocation of EU funds.

Clearly, R&D&D investments in renewables will have a significant impact on energy security, tackling climate change and boosting economic growth in Europe. EREC therefore calls on the Council and European Parliament to approve the existing renewable energy industrial initiatives as quickly as possible.

However, I have to admit that it is a great missed opportunity that the current funding proposal has left out the heating and cooling sector as well as certain renewable electricity technologies – the portfolio has to include Geothermal and Solar Thermal, Small Hydropower and Ocean Energy Technologies!

Ladies and Gentlemen,

Enhanced funding for R&D of ALL renewable energy technologies as well as support to bringing innovative renewable energy technologies into the market is not only important for meeting the EU´s 2020 commitments. It is also important for cutting greenhouse gas emissions by 80% to 95% and making renewable energy the mainstream source of the EU's energy system by 2050. So we have both to increase our R&D budgets and use available funding more effectively.

Therefore, EREC hopes that the 300 million allowances in the New Entrants Reserve of the Emission Trading Scheme will

generate as much capital as possible for innovative renewable energy technologies and do so in a way that ensures a fair selection process, reasonable requirements for projects developers, and the investment confidence needed to deliver.
This will help bring new renewable energy technologies to the market, technologies that would have taken longer to appear at full commercial scale without this valuable support. In order to ensure a coherent, coordinated EU demonstration programme of pioneering installations, the European Renewable Energy Industry fully supports the Commission in its approach of making the final award decision.

In addition, the EU should now use the opportunity of the mid-term review of its budget for increasing the financing of R&D. Such an increase is not only important in view of the period 2013 to 2020, but in the period up to 2013, too.
At the SET-Plan Conference in Stockholm Commissioner Piebalgs made it clear: When the EU`s budget was decided, Europe had no binding 20% target for 2020. This has to be

integrated now. The budget has to fully reflect the energy priorities of the EU.

Ladies and Gentlemen,

We all know that investments in R&D and support for the commercialisation of innovative technologies are key drivers in bringing down the costs. And this price decrease is not only an advantage for Europe alone, but for other regions globally as well. Cheaper renewable energy technologies in Europe will enable the market uptake in other regions of the world. And this is already happening. India and China for instance are investing in renewables more and more. Due to this year's UNEP "Global Trends in sustainable energy investment" report, China led in terms of investment in Asia in 2008. More than 15 billion Dollars of new investment was made, mostly in new wind capacity and biomass plants. Investment in India grew 12% to almost 4 billion Dollars last year.

And a total of 155 billion Dollars was invested globally – this is a more than a four-fold increase from 2004!

And this is the most reasonable way forward in terms of energy security and climate protection. Renewable energy, therefore, must play a prominent role in a global agreement on mitigating climate change. We clearly need a global solution in order to commonly tackle the effects of climate change - otherwise climate change will overwhelm human civilisation. Honestly, only an Annex on “individual emission reductions for developed countries” and “actions by developing countries to slow down their emissions” – as currently on the table – would be more than disappointing. This would not only mean a non-legally binding framework, but primarily missing the opportunity to save our planet.

Mitigating climate change requires efforts from everybody - a cut of greenhouse gases by industrialised countries and a clear deviation from projected emissions growth by 2020 by developing countries. And it has to be acknowledged that

developed countries must provide adequate and predictable funding to support renewable energy and energy efficiency.

So yes, given all that, we are facing enormous challenges – but accompanied by a far reaching sea of opportunities.
Renewable energy, with its near-zero greenhouse gas footprint, the speed with which it can be deployed in developed and developing countries alike and its ability to generate new kinds of businesses and green jobs, is a key element in the necessary transition to a sustainable innovation-based economy.

Let us continue our successful work for a sustainable 21st century!

Thank you for your attention!