

Third European Renewable Energy Policy Conference

President, (Arthouros Zervos), Members of the Panel, Ladies and Gentlemen:

I am delighted to join you today to discuss how we can maximise our efforts to further develop solar energy in the Mediterranean region. With Copenhagen just ahead of us, the search for sustainable and cost effective renewable sources of energy is urgent and I cannot think of a more topical issue for policy-makers or for industry.

Over the past few years, renewable energy and solar energy in particular have become an increasingly frequent topic in our energy discussions with the EU's external partners.

Everyone here is united by the common challenge of ensuring stable and secure energy supplies for our citizens whilst simultaneously tackling climate change. This is not to be taken lightly - the solution we find will determine the future economic environment and standard of living for generations to come.

Ladies and Gentlemen,

EU industry has been leading the field in renewable energy technologies, infrastructure and research and development. All these will help us to meet the obligatory targets we have set ourselves for renewable energy, energy efficiency and emissions reduction. But

Europe is also in a strong position to help develop renewable energy sources beyond the EU.

The EU and the Mediterranean have one of the world's biggest potential markets for renewable energy. Our co-operation makes sense on a number of levels – the EU has significant experience and know-how in renewable energies, whilst the potential for renewable energies in the Mediterranean is enormous.

That is why the new EU renewable energy directive, that entered into force earlier this year, provides for EU Member States to develop joint renewable energy projects with partners beyond their own borders.

The development of an integrated and interconnected Green Energy Market with the Mediterranean will provide cleaner energy resources, help address the rapidly growing energy demand across the entire Mediterranean region and improve local access to energy services where needed. It will also bring economic benefits – jobs and higher incomes – to local economies able to profitably develop renewable sources for domestic use and export. The implementation of the Mediterranean Solar Plan will be an important part of this project.

The Mediterranean Solar Plan aims to reach 20 GW of new renewable energy production and achieve significant energy savings around the Mediterranean by 2020, thus addressing both supply and demand. It will also develop electricity grid interconnections and foster the transfer of know-how and technology. The EU renewable energy

directive will offer key incentives for facilitating the implementation of the Mediterranean Solar Plan by providing for the import of "green electricity" from third countries to the EU.

As my colleague Andris Piebalgs explained to you yesterday, renewable energy is crucial to Europe's energy strategy for the years ahead. This is true of our internal energy policy, but also of our co operation with third partners across the world – with whom we are already working on a range of relevant initiatives.

In the Southern Mediterranean we already have experience of this kind of co operation. The Commission is already assisting our partners in North Africa, the Middle East and the Gulf regions, through a number of bilateral and regional initiatives, to boost their renewable energy potential and in particular solar.

We have also supported a range of regional initiatives in the Mediterranean that directly promote solar energy development. We have supported the gradual integration of electricity markets in the Maghreb, cooperation between Mediterranean energy regulators and the establishment of the Regional Centre of Excellence for Renewable Energy and Energy Efficiency in Cairo. Further, we are supporting improved energy efficiency and renewable energy use in construction in the Mediterranean, backing up our initiatives by providing expertise to national renewable energy authorities in the partner countries and financing for infrastructure for renewables through the Neighbourhood Investment Facility.

This kind of work – not a traditional part of foreign policy - is in my view very much part of the new energy diplomacy that Europe must develop, and as I approach the end of my time as Commissioner, I am proud to be able to say to you that renewable energy is now a key component of our cooperation with most countries in the Mediterranean.

However, all of these efforts have only brought us so far. Further measures will be necessary to make the vision of a Green Energy Market with a strong solar focus a reality.

Ladies and Gentleman,

I see three principal areas where we need to focus our efforts:

- a framework of policies, legislation and regulations necessary to enable a Green Energy Market to function efficiently;
- the necessary physical infrastructure that must be put in place to make the market a reality; and
- the research and development activities to make renewables increasingly economically viable.

1) Policies, legislation, regulation

First, policies, legislation and regulation. It is essential that we develop a common framework for the Green Energy Market. That will ensure that the market reaches its full potential for both producers and consumers, but also, by providing a stable and transparent framework,

that the right conditions are in place to attract the necessary investment.

One element is a common regional policy framework for renewable energy, based on the EU's acquis, which includes common targets for renewable energy; agreement on certifying the origin of green energy; and mechanisms for financial support.

We must also put in place legislative and regulatory frameworks to ensure a level playing field for green electricity investments and trade. That means clear regulatory models in each country and legislation as convergent as possible across the entire region.

And we have to work on gradually phasing out electricity subsidies which favour traditional fossil fuels over renewables. Renewables must be placed on an equal footing with other energy sources if we are serious about their use.

The Green Energy Market must be governed by the principle of transparency and by clear market rules. We need to think about mechanisms to enable us to implement these elements gradually.

2) Physical infrastructure

The second element is the physical infrastructure that must be put in place to make the market a reality. That means work on electricity interconnections.

To enable electricity trade to take place between individual countries and different parts of the broader region we need additional capacity

in the form of more electricity interconnections. In concrete terms we have to finalise the necessary interconnections between the EU and the Southern Mediterranean and between the Southern Mediterranean and the Gulf.

The Commission already supports, in collaboration with the European Investment Bank, the completion of the interconnections in the region. We are also working on a proposal for next year on the Mediterranean Ring that will outline what measures are needed, including s new transmission links, to support the development of significant trade in renewable energy in the Mediterranean region.

3) Research and Development

The third and final area is research and development. We need everyone's involvement in seeking the technological breakthrough required to decrease the cost of renewables and the related infrastructure. This is particularly important when it comes to generating solar power and developing the smart grid technologies necessary for transporting electricity long distances.

The Commission is currently working on a more co-ordinated approach to energy research and development within the framework of the European Strategic Energy Technology Plan (the SET Plan). The SET Plan acts as the technology pillar of the EU's energy and climate change policy and specifically targets solar energy development

through its Solar Industrial Initiative. Here we will obviously have to ensure synergy with the Mediterranean Solar Plan.

An important aspect of the SET Plan is its focus on international cooperation in research. The Commission already funds two collaborative projects on solar power in the Mediterranean region through the Research Framework Programme and is currently in the process of collaborating with energy research centres in the Gulf, particularly with those in the area of solar energy.

Through the creation of the appropriate networks, we could facilitate EU-Mediterranean-Gulf research capacity and develop the exchange of information on common pilot and demonstration projects, which would help to capture the immense solar potential of the region. This was one of the key areas identified on the occasion of the EU-Mediterranean-Gulf renewable energy conference held last month in Brussels.

Dear Ladies and Gentlemen,

There is no doubt that solar energy carries massive potential for a more sustainable and economically beneficial future for the EU and our partners in the Mediterranean. Making the best use of this potential will be one of the key tasks for the next Commission. We should build on existing initiatives and bring other partners on board, particularly those in the Gulf.

Renewable energy and in particular solar energy, offers a real “win-win-win” for the EU and the Mediterranean in terms of energy security, economic and social development, and the welfare of our planet.

Let us all play our part in achieving this ambition and commit to the necessary tough political and economic decisions ahead.

With that I wish you productive and stimulating discussions, and thank you again for your commitment to this important cause.