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Renewable energy industry and research call for a significant increase in EU R&D funding for renewables

High-level representatives from Europe's renewable energy industry and research community gathered today in Brussels to present their common priorities for the 7th European Research and Technology Framework Programme (FP7) to a public of more than 100 key policy-makers. The renewable energy sector expressed its concern about the decline in public renewables R&D spending and urged Brussels' decision-takers to increase the yearly EU renewable energy research budget to € 250 million in FP7 under a separate budget line.

The renewable energy sector estimates that € 250 million per year EU R&D funding is required to sustain its double-digit growth rates and to maintain the competitiveness of the European industry in the face of stiff international competition. The last 15 years have witnessed the renewable industry's turnover expanding tenfold from € 1.5 billion in 1990 to € 15 billion in 2004, and creating over 200.000 jobs in the process. At the same time, it has made a significant contribution to EU greenhouse gas reduction as well as to security of energy supply.

Prof. Arthouros Zervos, President of the sector's umbrella organisation EREC, stresses that "We can already see that renewables can deliver, but if this beneficial development is to continue, renewable energy requires a stable, predictable supportive political and legal framework coupled with continuous public and private investment in R&D." Prof. Zervos added: "We should not forget that in Europe the nuclear industry has received for decades - and still receives - much more in subsidies and R&D support than renewable energy. If one counts the external costs of fossil generation as a subsidy for the industry paid for by society as a whole, then clearly this sector has also, for a long time, been placed at an unfair advantage."

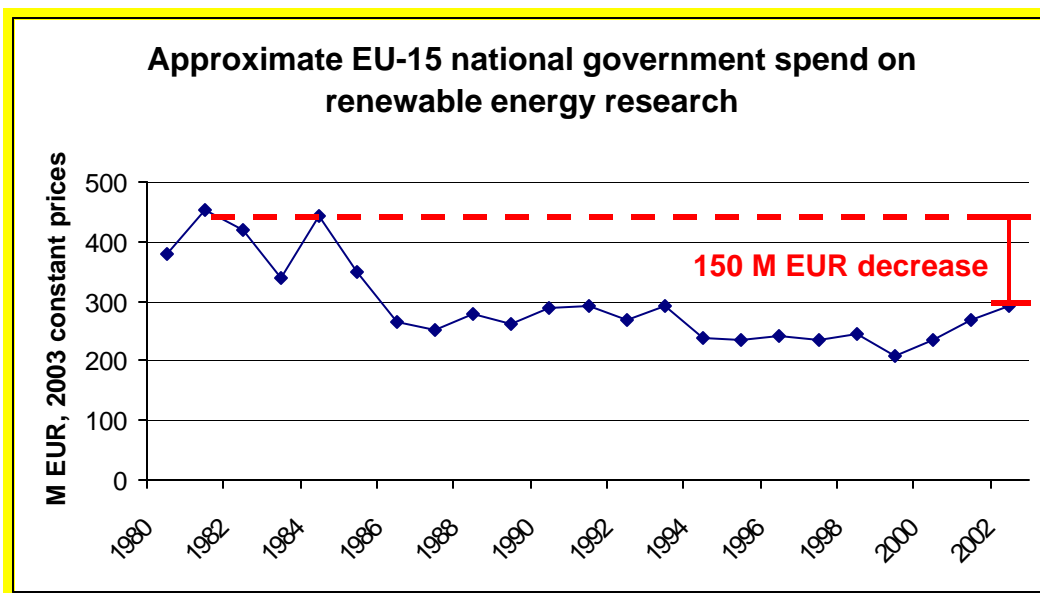
Mr Matjaž Malgaj, speaking on behalf of Commissioner Potocnik, reported that the Commissioner wanted to "reverse the trend of declining funds to complementary energy", especially renewable energy.

Ex Prime Minister of Poland Prof. Buzek, MEP for the EPP-ED group, called for simpler procedures and flexible instruments, and improvements to the process of transferring scientific knowledge from research laboratories to industry. He also stressed the importance of education and further socio-economical research in this field.

Highlighting some of the many successes of previous renewable energy research projects, Prof. Didier Mayer, President of the association of European renewable energy research centres, EUREC Agency, explained how research has contributed lower-cost and more efficient for renewable energy production. The examples of wind energy are maybe the most visible with an increase in turbine size and capacity from an average of 50 kW back in 1980 to recent 5 MW turbines. Prof Mayer said: "A technology push from research coupled with a market pull favoured by supportive political and legal framework conditions are a combination that will help all renewable energy technologies. If Europe wants to stay at the forefront of one of the sectors most able to contribute to the Lisbon agenda, we have to strengthen our efforts."

Background:

Both industry and research are alarmed by the steady decline in EU renewable energy R&D funding from € 110 million per year a decade ago to the current level of approximately € 90-100 M € under FP6. Data from the International Energy Agency indicates that national government funding for renewable energy research has fallen by a third since the 1980s in EU-15. Representatives from the principal renewable energy industries (biomass, geothermal, marine, small hydropower, direct solar energy and wind), together with many of the sector's leading research centres are therefore united in calling for EU policy-makers to reverse this downward trend. EU R&D funding for renewable energy should increase to € 250 million per year. Renewable energy should be funded through its own budget line to avoid confusion about the spend on these technologies and the spend on energy efficiency research, electricity grids, storage and other areas such as carbon dioxide sequestration and new energy carriers like hydrogen. Many official bodies, like the Council and European Parliament, have called for greater public spending on renewables R&D.



In the context of ever-higher oil prices and increasing energy demand, the political value of indigenous energy production should not be underestimated. Energy has once again gained such a strategic value that a forward-looking policy must invest in the development of all promising technology options. Research must therefore be conducted in all renewable energy technologies. Attention must also be paid to horizontal issues concerning all renewable energies, such as their integration into energy grids, common socio-economic barriers, as well the need for trained professionals for the sector at all levels.

The strong attendance of Commission officials, members of the European Parliament and representatives of the Member States at this event indicated the high interest in and importance of renewable energy research issues. It coincides with the Commission's preparation of its draft on the design of the forthcoming 7th Research and Technology Framework Programme, expected mid-April. Speeches from Matjaž Malgaj, Member of Cabinet of Research Commissioner Potocnik and Mr Gonzalez Finat, Director of New and renewable sources of energy, demand management and sustainable development" at Directorate General Energy, as well as from two Member of the European Parliament (ex Prime Minister of Poland Prof. Buzek, EPP-ED and Mechtild Rothe, PSE) spoke at the event and expressed support for the needs of the European renewable energy industry.

A copy of "FP7 priorities for the renewable energy sector" summarising the political and scientific research priorities of industry and research is available upon request from EUREC Agency and EREC and can be downloaded from www.eurec.be and www.erec-renewables.org.