[Speech by Climate Action and Energy Commissioner Miguel Arias Cañete at the Global Wind Summit]

Distinguished guests,

Ladies and Gentlemen,

It is a pleasure to be with you here in Hamburg for what I consider one of the most important events in the renewable energy calendar of the year.

Hamburg is a good place for your event, not only because Germany continues to be the biggest market for wind; but also because it is firmly anchored in the North Sea region which we consider to be the test bed for regional cooperation on renewables. And the presence of the Ministers of Denmark and Norway underline the relevance of this idea.

The timing of this year's event is particularly interesting – as we look to finalise new rules on the EU regulatory framework for energy policy and set the longer-term perspective for a low carbon and climate neutral economy in Europe.

Your sector, the wind industry, is without a doubt one of the main pillars of the clean energy transition today.

In recent years, as costs have come down, we have seen renewable generation capacity grow steadily by 8 or 9% every year. Wind power is making an impressive contribution to this growth. The installed wind capacity grew by 14.8 GigaWatts in 2017 bringing the EU installed capacity up to 169 GW by the end of 2017.

This has turned the industry into an important source of growth and job creation. We estimate that the renewables sector represented more than 1.4 million jobs in the EU in 2016 and that more than 300 000 out of these were in the wind sector. And this continues to rise.

In my speech today, I would like to cover three main issues relating to the future of the renewables sector and wind in particular.

Firstly, the state of play as regards the Clean Energy for All Europeans package, secondly, how do we ensure an investment framework that supports the energy transition and thirdly, how we intend to show the direction in the longer term through our Long-term strategy.

So let me start with an update on the Clean Energy for All Europeans package, which we proposed in November 2016. This package aims at adapting our regulatory framework to enable Europe to lead the clean energy transition and to deliver on our Paris Agreement commitments. Sustaining our ambition of being a world leader for Renewables is closely linked to that.

I am therefore very satisfied that just before the summer break we managed to get a political agreement on our proposals on renewables, efficiency and governance which, in my view, lives up to this ambition.

Allow me to draw your attention to a number of key points in the new rules that we have negotiated.

For Renewables, we agreed with Parliament and Council on a binding overall target of at least 32% at EU level for 2030. To put this into perspective for the power market, we expect that this would result in around 55% of electricity from renewables by 2030. This highlights that renewables technology will be *the* major player in the years ahead. However, the revised rules aim to seize the potential for renewables also in other sectors, such as transport and heating and cooling.

But the revised Renewables Directive is much more than just a target. It contains a comprehensive set of measures across sectors in order to facilitate the deployment of renewable energy in a cost-effective way in the EU. Our objective is to further Europeanise renewable energy policy, including by clarifying conditions for support and encouraging cross-border renewables projects. I will revert to this point in a few minutes.

Administrative procedures have been simplified. We have made important steps for consumer empowerment by fixing for the first time at EU level a clear and stable regulatory framework on self-consumption. This will allow self-consumers, individually or as part of a renewable energy community, to fully participate in the market without being subject to disproportionate charges or procedures. There is also a clear requirement to remove regulatory barriers to long-term renewables power purchase agreements and to facilitate their uptake.

The ambition to see Europe as a world leader for renewables is also sustained through our new Governance Regulation. This will serve as the architecture for the Energy Union and mechanism for achieving the Union’s 2030 objectives, with Member States being required to outline a national strategy and submit national plans on how to achieve these targets. And, in order to ensure that these plans reflect not just a national perspective, but also a more strategic view, the Commission will be able to recommend adjustments to these national plans in order to maximise consistency and coordination across the EU.

Our revised energy efficiency legislation also contains provisions aiming at further encouraging deployment of renewables, especially in the buildings sector, which has a very significant potential for decarbonisation.

Last but not least, the market design legislation. Achieving the clean energy transition will require important transformation of the energy system characterized by more variable renewable energies, greater decentralization and digitalization. The new electricity market design proposals will enable these developments and encourage the deployment of renewables.

Indeed, it will make the market fit for the growing share of renewable energy by providing greater flexibility of the power system and appropriate price signals.

Needless to say that the higher level of ambition that we have just agreed for renewables will make it all the more urgent to come to a rapid and ambitious agreement on modernised market rules.

And I remain optimistic that we can reach a political agreement on these files by the end of the year, under the Austrian[1] Presidency.

At the same time we will only be able to reach the more ambitious targets agreed upon if we can attract the necessary investment – and most of it will have to come from the private sector. Let me therefore turn to the second issue I wanted to cover today, which is what we are doing to promote investment more directly.

First, the revised Renewables Directive includes various elements, which, taken together, should ensure a more stable development of the investment framework for renewables than we have seen in the past.

In addition to the ambitious target of at least 32% itself, this concerns foremost the clear rules on support schemes. While being based on market mechanisms to avoid over-compensation, we have enshrined the key principle in legislation that support should be predictable and stable, with no retroactive changes.

This draws the lesson of past and sometimes painful experience with ill-designed support schemes and support scheme changes and ensures these aren't repeated. I would say that also with regard to support schemes, our learning curve has been steep.

With the same objective to increase predictability, we have introduced an obligation for Member States to publish and regularly update long-term schedules for auctions, including eligible technologies.

And these long-term schedules brings me to another key element for the 2030 framework, namely the National Energy and Climate Plans under the Governance. We want them to be specific and provide the necessary background for the industry to invest in new capacity. But they could also include plans for renewables assets that reach the end of life before 2030.

As a very important element, we have also requested that these national plans will be part of a public consultation with key stakeholders, such as yourselves. We need to see in the plans policies and measures to achieve the national contribution to the binding EU-level 2030 target for renewable energy and the related trajectories as well as measures for financial support.

But it is not only through Regulation that we seek to facilitate the necessary investment. We are also determined to support the energy transition more strongly through our own spending in the future. Our proposal for the next Multiannual Financial Framework- the new 7-year EU budget – underlines that ambition.

Horizontally, we have proposed to increase the climate mainstreaming target from 20% in the current period to 25 % in the next. That means that over the entire budget, one in four Euros is to be spent on climate change adaptation and mitigation, at the heart of which lies the clean energy transition.

In absolute terms, Cohesion Funding is likely to be the biggest contributor. Low Carbon Investments are kept as priority for Member States with a higher ring-fencing of 30%. Crucially, there is to be a strong link between future spending and the Clean Energy Package. Funding will be conditional on Member States meeting certain conditions, including that they do not fall below their 2020 renewables targets throughout the programming period.

Of particular relevance to your industry, as the successor to the European Fund for Strategic Investments, the new Invest EU Fund will give 11.5 billion EURO into a Sustainable Infrastructure window to unlock private investment through financial instruments and tailor-made products. We can expect the wind sector to continue to be an important beneficiary of this.

I will not go through all other programs supporting the clean energy transition for lack of time, but just want to touch briefly upon the future Connecting Europe Facility in the Energy sector. Here our goal is to focus our means, which we have proposed to double compared to the current MFF, even more on enabling the clean energy transition. On the one hand by completing an electricity grid that can cope with 55%, or more, of renewables in 2030; and on the other hand by opening up the possibility to support directly cooperation in renewables deployment between Member States or at regional level with up to 865 million €. As proposed, this new instrument will provide technical assistance, grants for studies and grants for works for projects that are part of a Member States' cooperation mechanism.

All of this cannot replace private investment but can help to stimulate it, and we therefore hope for rapid progress in negotiations with co-legislators to finalise these files.

And this brings me to my third and final point. Ultimately, the best recipe for a positive investment climate is long-term visibility and clarity on the direction we are taking. This is the purpose of the Long-term strategy that we are currently working on.

Both the European Council and the European Parliament asked us to develop this strategy. A public consultation is currently ongoing until 9 October, and I would invite all of you who haven't done so yet to contribute. We are determined to put our strategy forward in November this year, ahead of COP24 in Katowice in December.

The strategy will take a holistic look at the transitions necessary in key sectors of the economy, with the energy system – which is responsible for around 75% of Greenhouse Gas emissions – playing a central role. It will look at power, buildings, transport, industry and agriculture sectors, including possibilities of sectoral integration to increase the overall efficiency. It will also provide useful insights for industries on technology and Research and Innovation needs, on economic and social aspects, security of supply issues, or co-benefits for health.

The Long Term Strategy has to be consistent with the Paris Agreement. This implies developing emission reduction scenarios limiting global average temperature rise to well below 2°C, but also exploring scenarios aiming at limiting warming to 1.5°C. Such objectives imply emission reductions in 2050 for the EU ranging from -80% to -100%.

The objective will not be to select a preferred scenario but rather to look at common trends and challenges.

Clearly, electrification is such a common trend and will play a fundamental role in decarbonisation. All projections show that the share of electricity from renewable origin will increase further in scenarios leading to carbon neutrality in 2050. The share of electricity in EU energy demand could go up to 27% in 2030 and close to 50% in 2050. Of this, at least 80% would come from renewable sources.

Other solutions than electricity will be needed in sectors such as freight transport or for certain industrial processes.

But it is entirely clear that a fully decarbonised, largely renewables-based power system, will be fundamental also for our decarbonisation efforts in a long-term 2050 perspective.

And this brings me back to the beginning, and the importance of this conference.

I see this importance not only in the dialogue between the wind industry and politics, but at least as importantly this dialogue needs to include civil society at large.

The energy transition will bring about a deep transformation of our economic model with societal impacts beyond the purely economic. This is why it needs to be inclusive and why we need to invest time and effort into continued broad public support.

In this regard the wind industry has valuable experience to share. Be it with models that allow citizens to share in the benefits of new developments. Or be it in finding ways how to reconcile sometimes competing but ultimately reconcilable objectives, such as renewable energy development and nature protection.

Ladies and gentlemen, it is in this sense that we chose the programmatic title “Clean Energy for AllEuropeans” for our policy proposals. I believe that this conference will contribute to making this happen.

Thank you.

[1] [NB The Director-General of the Austrian Energy Ministry is scheduled to be present]