

## Speech by Giles Dickson, CEO WindEurope, to VIP lunch at 3rd EU Energy Summit, 28 March Brussels

People talk a lot about sustainability and climate change when they talk about renewables. Actually there are 5 very good reasons for doing renewables that have nothing to do with climate change.

- one, renewables are cheap. Onshore wind is now the cheapest form of new power generation on average across Europe. Its costs fell 60% in the last 10 years. And offshore wind costs fell 50% in just the last two years.
- two, it's getting cheaper and cheaper to integrate variable renewables in the energy system. Thanks to smart grids. Better grids. Better functioning electricity markets. More flexible wind turbines. And the development of storage. We're about to see major scale-up and cost reduction in storage, and this will further reduce system integration costs.
- three, once they are built, renewables are a free and local source of energy. They're good for energy security. No fuel imports. No fuel costs. No exposure to changing fossil fuel prices.
- four, renewables benefit local communities. They bring local jobs and revenue. And with community ownership they give people a stake in their own energy.
- five, renewables bring jobs and growth across Europe. Wind is now fairly big business in Europe. We employ 330,000 people. Our turnover is €72bn a year. We're a major export industry. We're a European technology success story.

Unfortunately, despite these 5 points, a lot of people still have doubts about renewables. 15 out of 28 EU Member States invested nothing in wind last year. The overall level of policy ambition on renewables across Europe is less today than it was 5 years ago.

And we understand why people have doubts. There are two problems.

- first, there's the legacy costs issue. People are still paying for the guaranteed prices that were being offered to renewables up to 15 years ago when the costs were much higher than they are today. These higher costs will work themselves out of the system over time: you only get these tariffs for max. 15 years. But until they do we have a short and medium term issue.
- second, people are concerned about the costs of system integration. Especially the costs of big new grid connections, such as the north-south lines in Germany. But these are Infrastructure investments. We pay for them once only. And they have a lasting economic benefit.

Fortunately, many governments are seeing beyond these two short-term challenges and embracing the long term economic benefits of renewables. The Netherlands are auctioning 700MW of new offshore wind every year - and this is helping to drive the spectacular costs reductions in offshore wind I mentioned earlier. Germany has committed in legislation to build 24GW new onshore and 11GW new offshore wind during the 2020s.

We simply need to replicate this sort of long-term thinking across Europe. The Clean Energy Package will help. The National Plans will focus minds in capitals. The market design proposals will further reduce the costs of integrating renewables in the energy system. The Emissions Performance Standard will ensure capacity payments only go to the more efficient and less polluting power plants.

But we can't rely on the Clean Energy Package alone. We need to do 3 other things.

- first, we need to get more electricity into heating and cooling. Heating and cooling are over three-quarters of Europe's energy consumption. The more we can electrify them, the more efficient they'll be and, with more renewables, the cleaner they'll be.
- second, we need to engage the industrial and commercial consumers of energy. More and more companies are now buying power directly from wind farms on long-term contracts. ICT, food and drink, chemicals and aluminium. They're doing it because they want long-term security on their energy costs. It's great for our industry too - we get stable revenues for up to 20 years. These are win-win deals. We need more of them.
- and finally, we need to communicate the benefits of renewables across Europe - to show it's possible to deliver the energy transition and benefit economically. We've left on your tables a card with the 5 reasons for going for renewables that I started with. Please take these away for your own reference and to share with others. We need to get the message out there - this is not just about saving the planet.