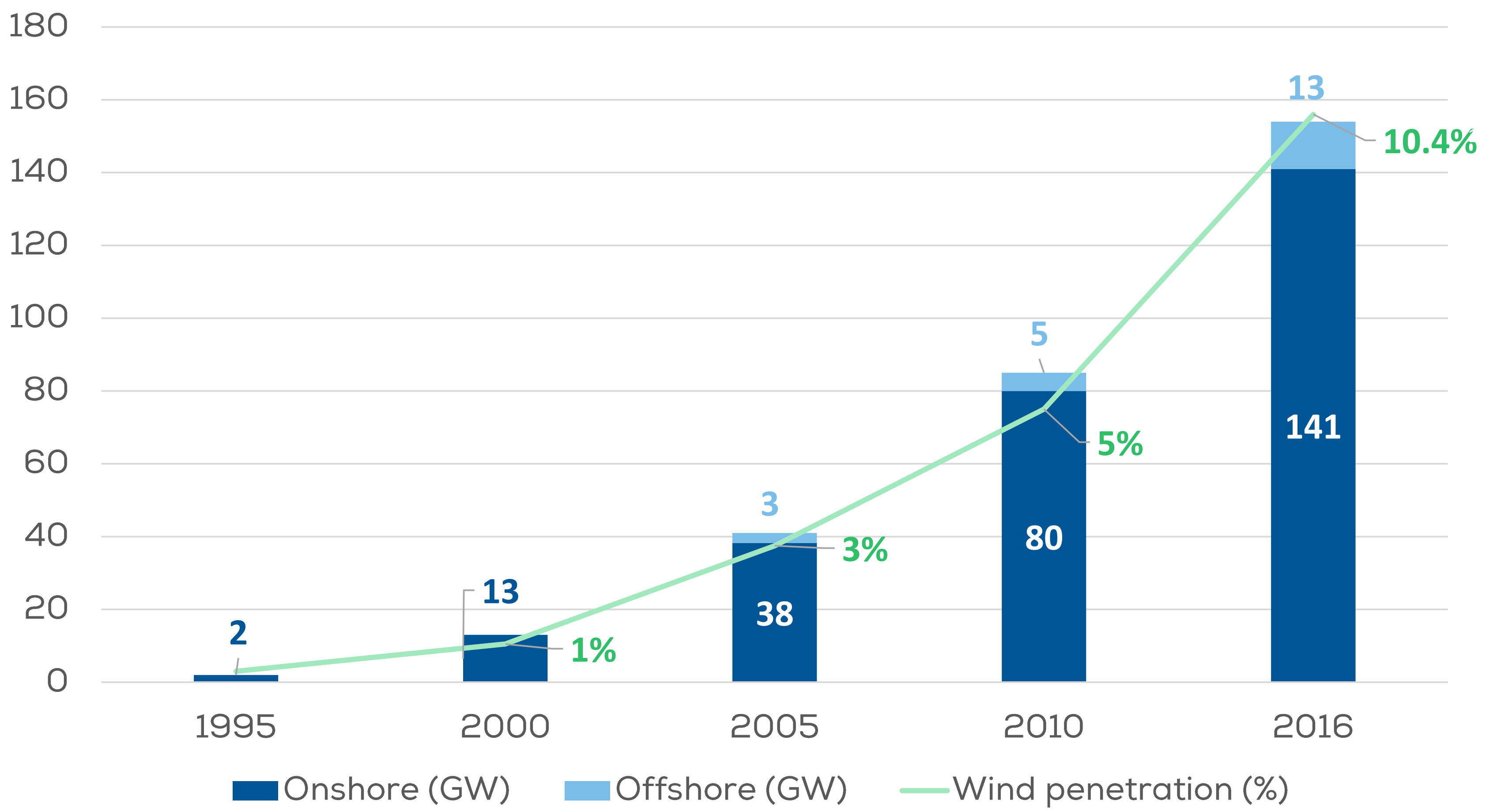
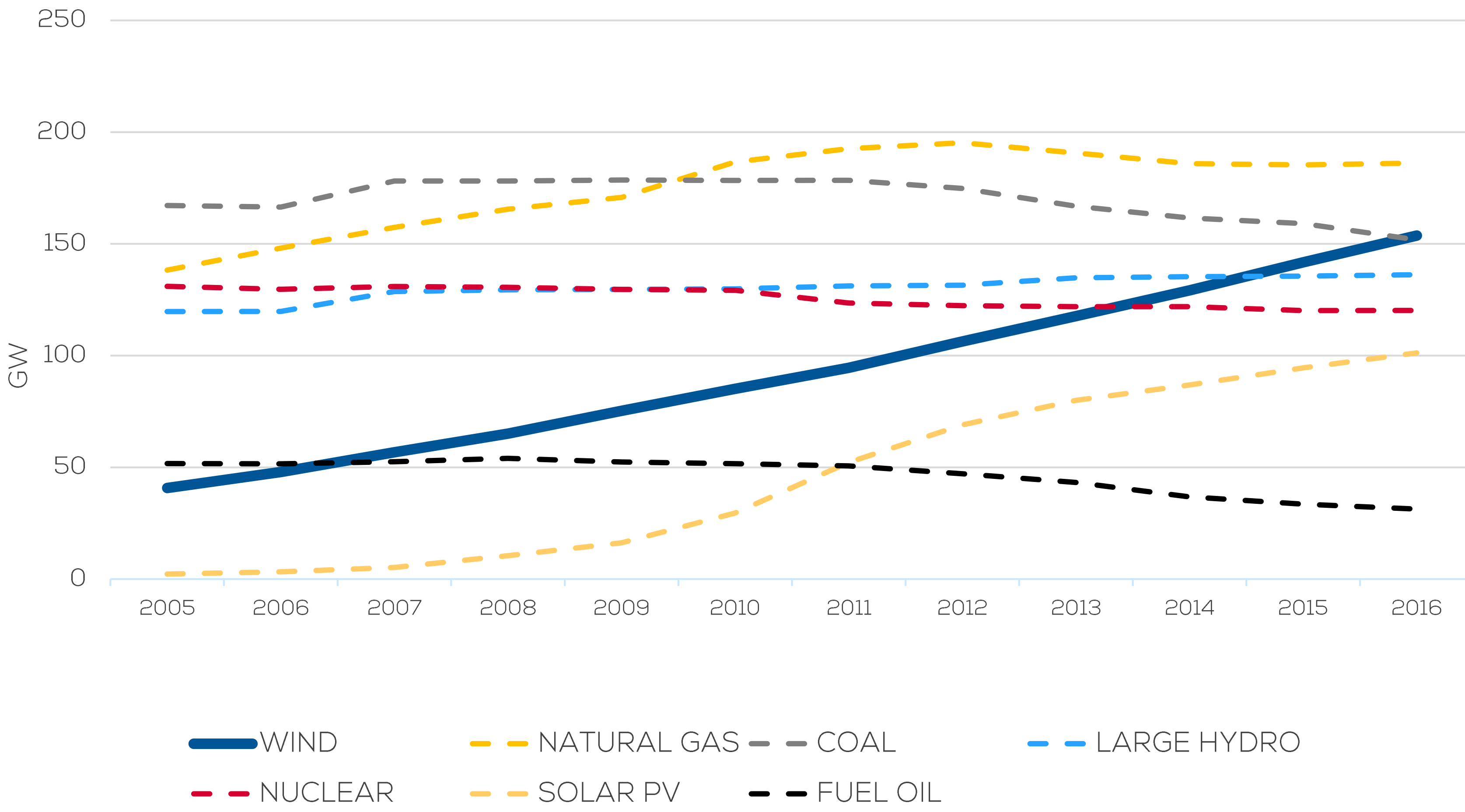
WindEurope Annual General Assembly

windeurope.org

Decades of growth



2nd largest power capacity in the EU



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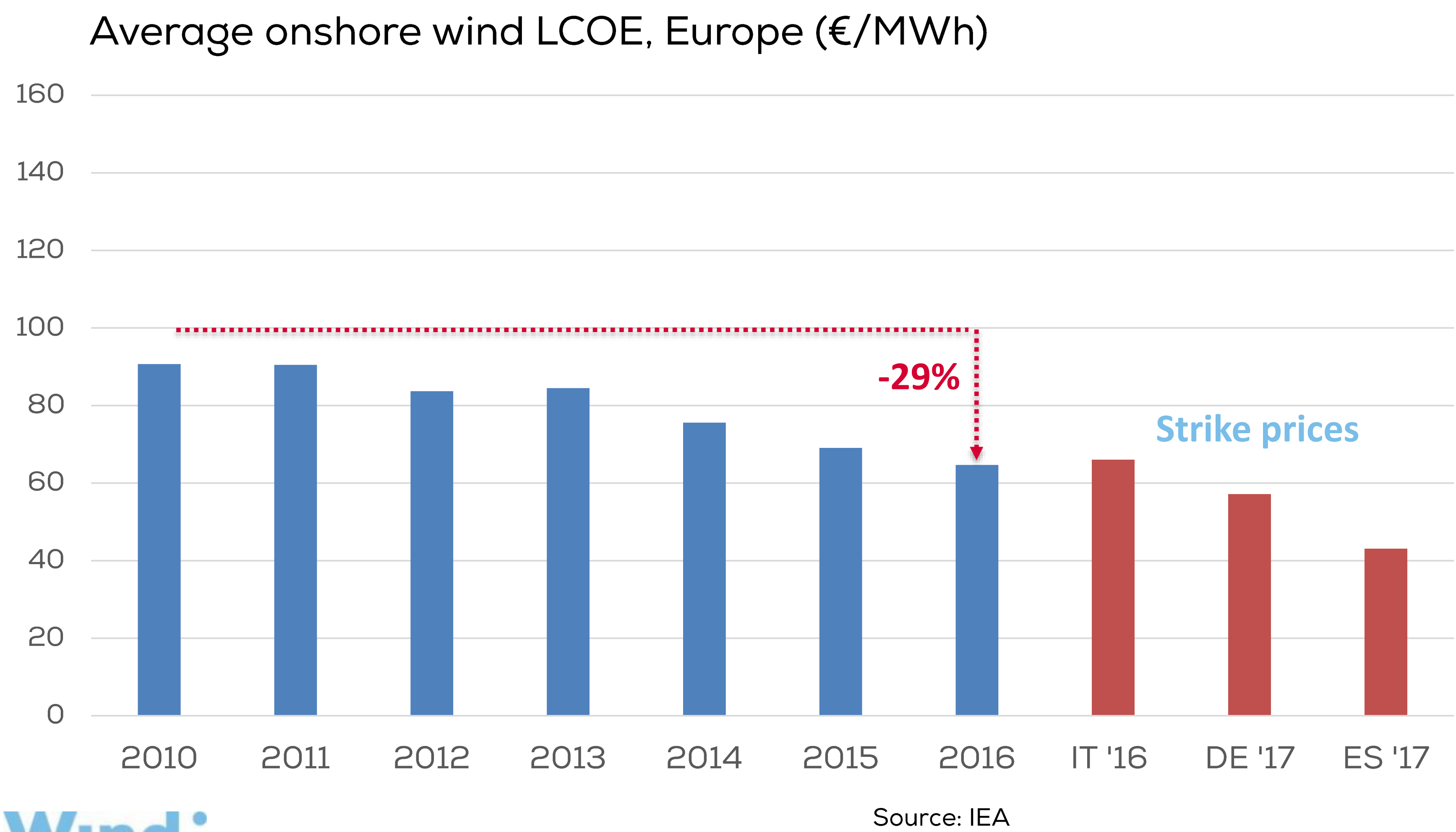
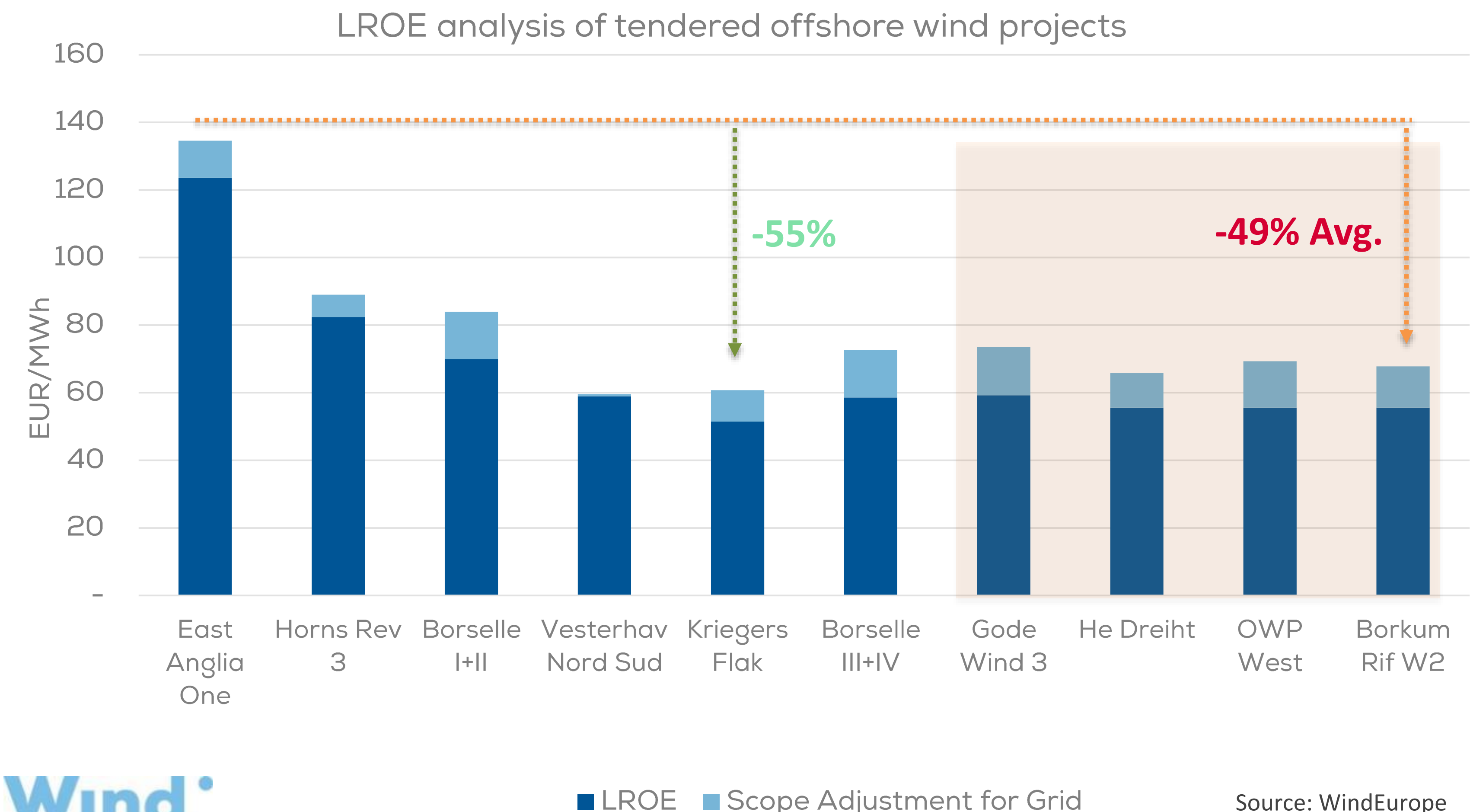
Onshore cost reduction



Offshore cost reduction



Source: WindEurope

Key challenges

- Changing policy drivers
  - National RES binding targets → EU target only
  - Feed-in tariffs/certificates → tenders
  - Priority dispatch → last curtailed
- Dysfunctional energy market
- Climate policy will not deliver RES deployment
- Politics in CEE and Southern Europe
- Perception on costs and integration

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New Priorities and Narrative

Strategic objectives

- Maximise wind in the EU **energy** mix in a responsible and sustainable way
- Tackle **overcapacity** of inflexible carbon intensive assets
- Ensure **stable** regulatory and market frameworks
- Influence EU priorities on **Research and Innovation**
- Ensure the energy **networks** and system are fit for renewables
- Ensure access to low-cost **finance**

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5 REASONS TO GO FOR RENEWABLES:

- Renewables are cheap: onshore wind is on average the cheapest form of new power generation;
- Smarter markets and technology are driving down integration costs;
- Renewables are a free local resource so help energy security. No exposure to volatile fossil fuel imports;
- Renewables can benefit local communities: local jobs and revenue; community ownership;
- Renewables bring jobs and growth across Europe: wind employs 330,000, generates €72bn revenue pa, supplies more than 10% of our electricity and is a major export industry.

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Broadening our engagement

EU level

National level

Other sectors

New partners

Decarbonising Heating and transport

Corporate PPAs

Capacity mechanisms – coal

Demand response

Delivering for the EU Institutions, advocating for the industry

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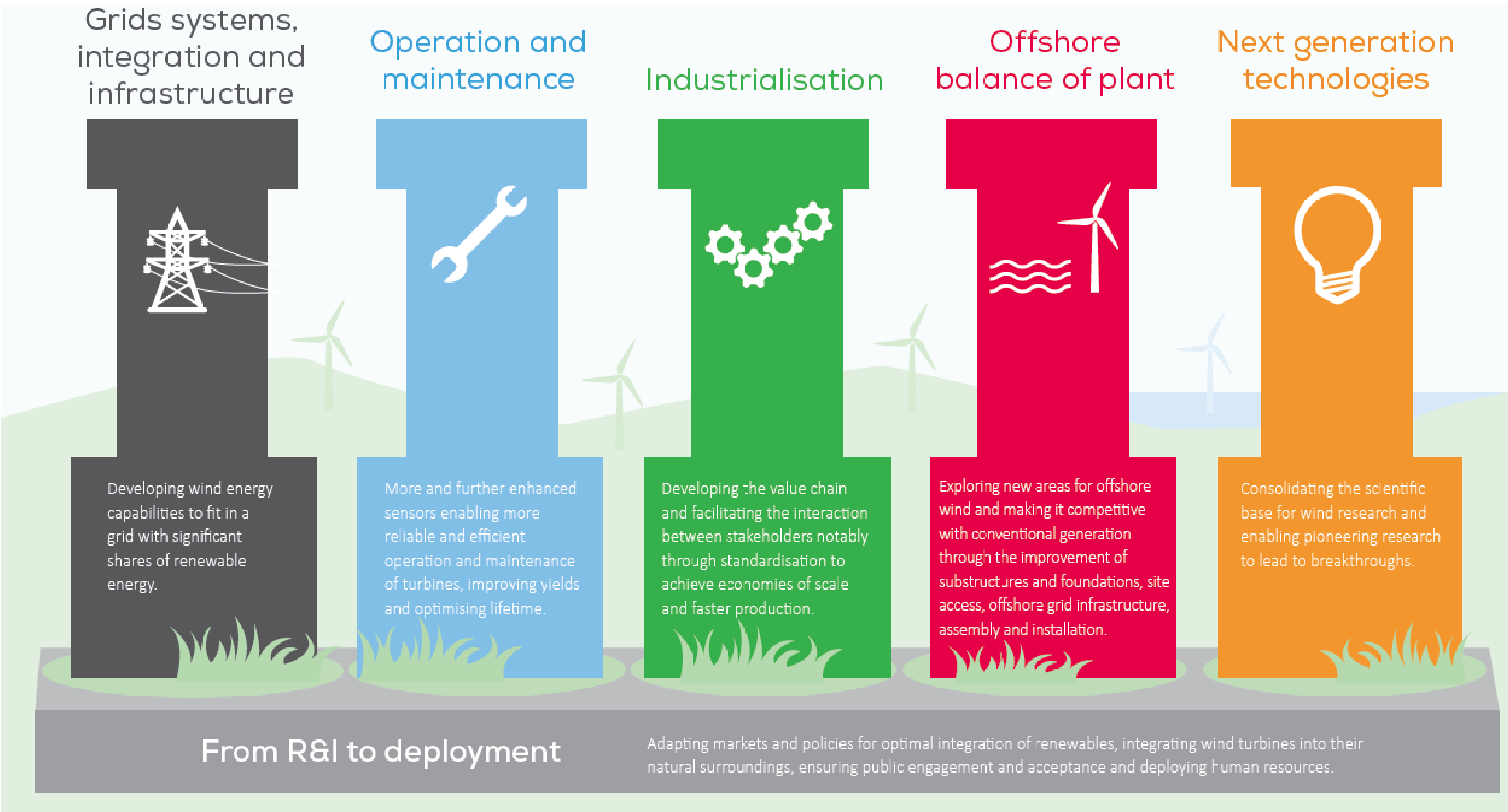
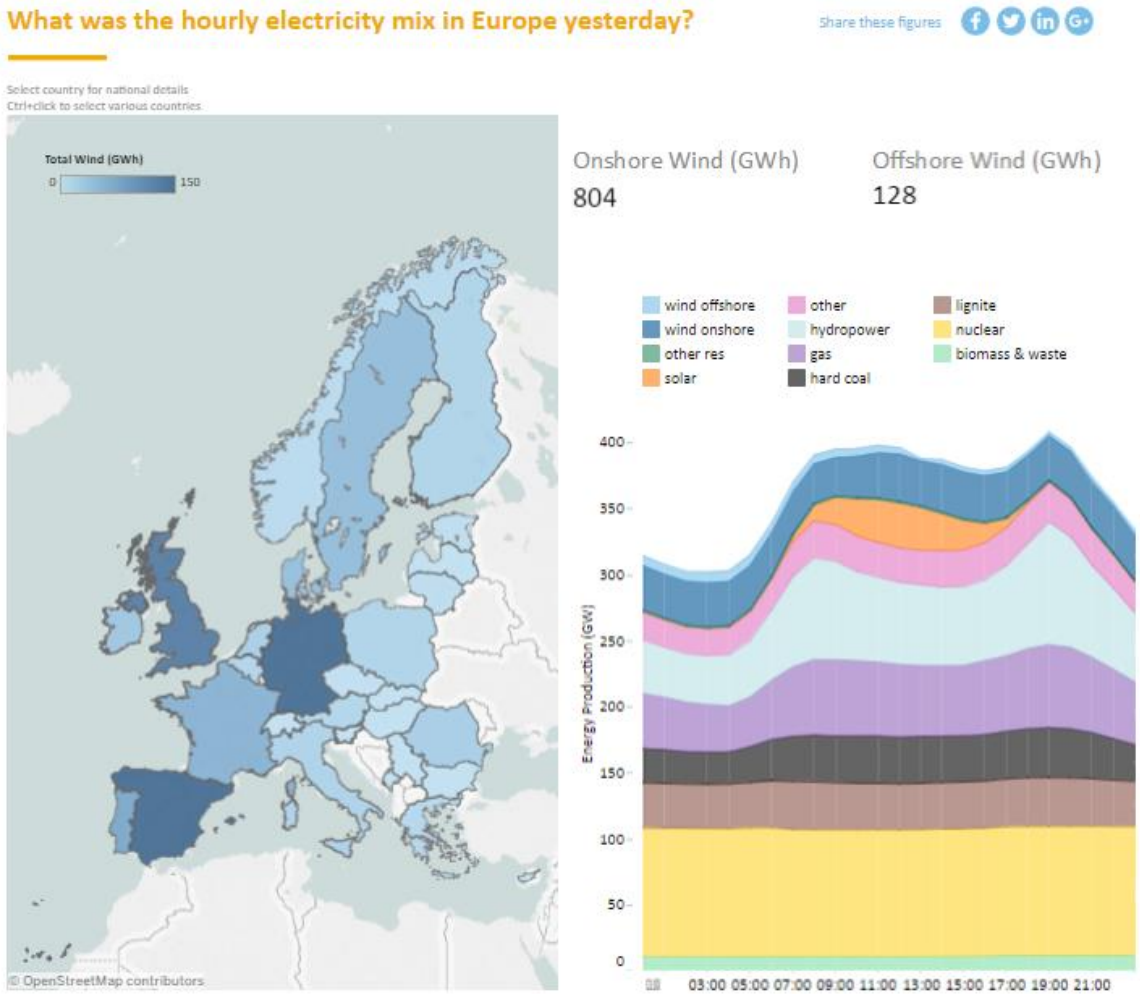
Informing the EU on Research and Innovation



Providing daily data

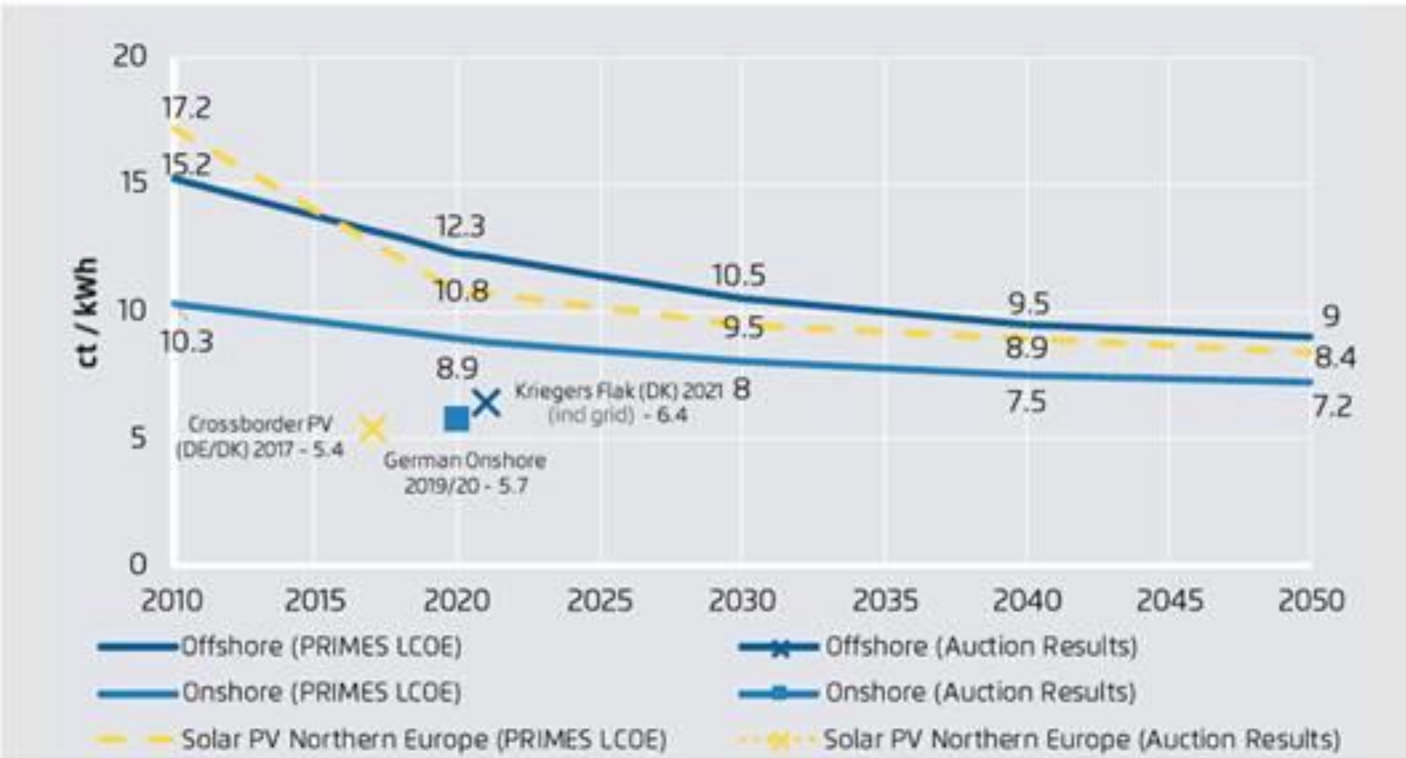


windeurope.org/daily-wind/

17 March 2017

Informing EU modelling and policy

Figure 1: Comparison of PRIMES LCOE cost assumptions with the results of recent auctions by year of expected realization (Offshore Wind, Onshore Wind and Solar PV)



Source: COM (2016) EU Reference Scenario 2016; BNetzA (2016, 2017); Danish Energy Agency (2016); ICIS (2017); Vattenfall (2016)

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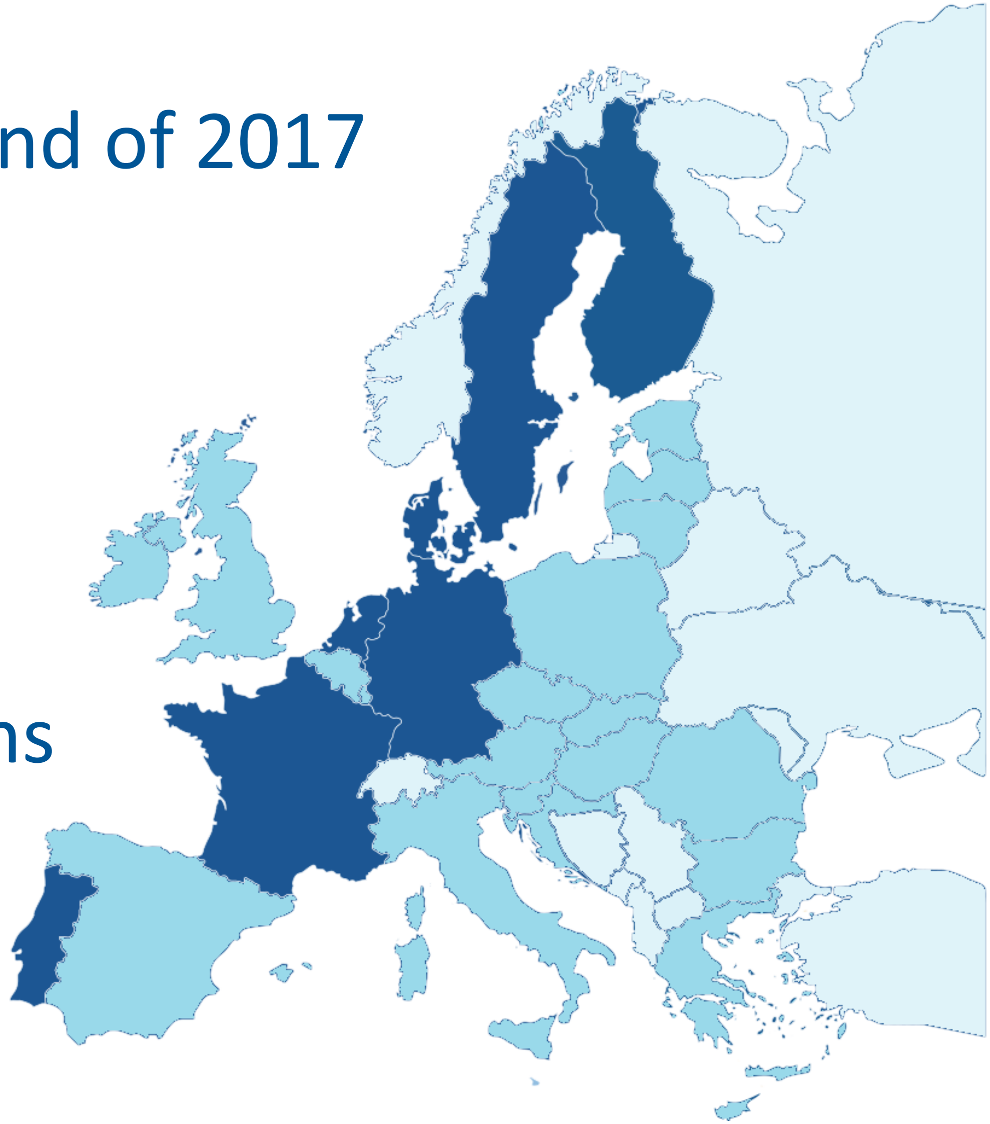
Policy priorities

Ambitious RES deployment

- National plans by end of 2017
- +35% RES target
- Getting the right support mechanisms



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Upgrading market design

- Flexibility: cross-border integration; demand response; storage
- Fair regime for grid access and balancing responsibility
- Strict conditions for CRMs
- Making the most of interconnections, smart grids

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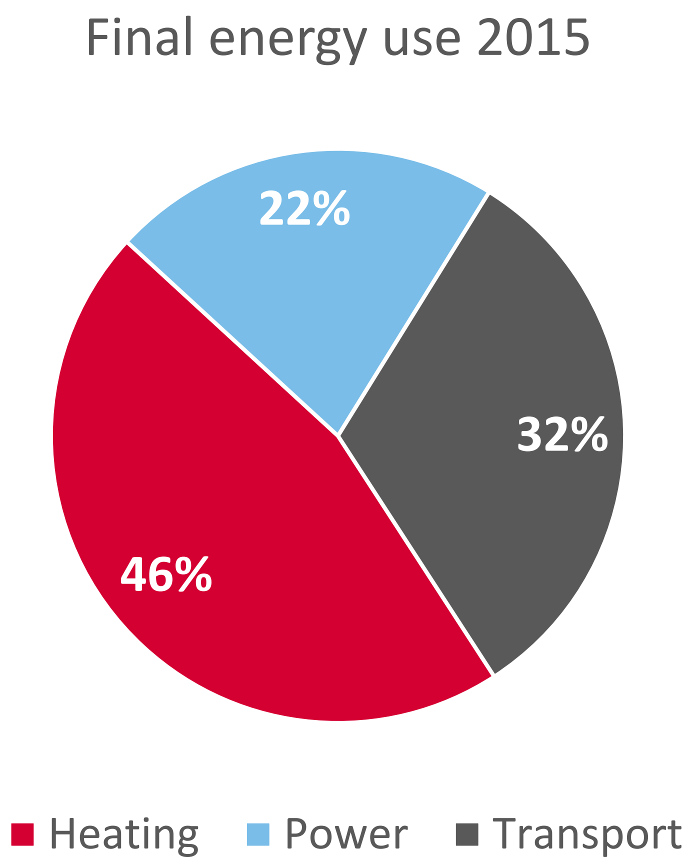
Decarbonising beyond the power sector



Renewables account for

30% of power demand

18% of heating demand

6% of transport demand

Source: EEA, 2016