

## Response to Climate Law consultation February 2020

WindEurope is the voice of the wind industry, actively promoting wind power in Europe and worldwide. We have over 400 members, active in over 35 countries. In addition to wind turbine manufacturers with a leading share of the world wind power market, our membership encompasses component suppliers, research institutes, national wind and renewables associations, developers, contractors, electricity providers, finance and insurance companies, and consultants.

WindEurope strongly supports the adoption of a Climate Law enshrining the objective of delivering a climate neutral European economy by 2050. The EU has a critical role to play in setting the course for decarbonisation at home as the basis for its global leadership on climate action. The Climate Law is crucial as it creates a commitment that will bind the EU beyond the current political mandate, setting a clear direction of travel for the next 30 years.

All future legislative proposals – not only Climate and Energy but also Competition, Trade, Industry, Research and Innovation, Environment, Transport and Agriculture policies - should be tested on whether they are fully consistent with the delivery of this overarching objective. Crucially, any EU legislation or funding relating to infrastructure development must strictly adhere to the objective of delivering climate neutrality, thereby avoiding the societal costs linked to sunk assets.

The wind industry is playing a central role in the decarbonisation of the European energy system and will be a primary driver to accelerate our decarbonisation efforts. Deploying wind energy adds significant value to the European economy while contributing to the objectives of energy independence and security.

With 184 GW installed across the EU<sup>1</sup>, wind energy today supplies already 15% of the total European electricity demand and helps save €10bn/year in fossil fuel imports. Wind energy offers citizens and businesses clean, local and affordable energy. The wind energy sector brings local value and creates jobs and growth: contributing €36bn to the EU Gross Domestic Product with €8bn exports, the wind energy sector employs 300,000 people across Europe<sup>2</sup>.

Onshore wind is today the most cost-competitive form of new power generation in most regions in Europe, thanks to technological developments and economies of scale. Offshore wind energy is not far behind: its costs have fallen 60% in three years only. Strike prices in offshore wind auctions in 2019 ranged between 40 and 50 Euros/MWh, meaning investing in offshore wind is now cheaper than building new gas, coal or nuclear plants.

Higher ambition on renewables beyond 2020 and towards mid-century will offer even greater social and macro-economic benefits. By 2030, and with the right policies sustaining the European industry's competitiveness, the sector could employ up to 569,000 people. This goes together with benefits for

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<sup>1</sup> EU-28, mid-2019

<sup>2</sup> *Local Impact, Global Leadership*, WindEurope and Deloitte (2017). Estimates on jobs creation are the latest WindEurope figures.

related sectors: every €1,000 invested in wind creates €250 value for the wider supply chain - e.g. chemicals, steel, construction<sup>3</sup>.

The European Commission's 2050 Decarbonisation Strategy foresees that wind will be by far the largest source of power generation by mid-century. Its most ambitious scenario, which would put the EU on track to climate neutrality, sees 1,200 GW of wind energy installed, up from today's 184 GW<sup>4</sup>. In its latest reports, the IEA has stressed that onshore wind will become the largest source of power in Europe by 2027.

Commission President Ursula von der Leyen's European Green Deal and the objective to be climate neutral by 2050 offer an important policy signal to the market. But this requires wind energy to be at the core of the EU's industrial strategy. The Green Deal must have an industrial policy component firmly embedded in it that allows the European wind industry to remain competitive – at home and abroad.

The climate urgency requires a higher ambition in the shorter term, aiming at 55% GHG emission reduction target by 2030. This would trigger the deployment of more renewable energy over the next decade. The 2030 renewable energy target will need to be amended accordingly. It is critical that, as part of the modelling informing policy choices, the European Commission factors in the sharp cost reduction wind has experienced.

Reaching the intermediary 2030 climate and energy objectives already means that 50% of the European electricity will come from renewables. This requires €254 bn of private investment in the electricity sector alone according to the European Commission.

Providing long-term visibility to the wind industry is essential to unlock these investments, have a smooth pipeline of projects and a healthy supply chain. Ambition in the final 2030 National Energy and Climate Plans and a correct implementation of those at the Member State level will be crucial to deliver on the energy transition, as 2030 is a crucial intermediary step towards the attainment of the 2050 decarbonisation goals.

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<sup>3</sup> *Local Impact, Global Leadership*, WindEurope and Deloitte (2017).

<sup>4</sup> *In-depth analysis in support of the Commission communication COM(2018) 773: A Clean Planet for all A European long-term strategic vision for a prosperous, modern, competitive and climate neutral economy*, European Commission, 28 November 2018, p. 77.