



BRIEFING FOR COMMISSIONER KADRI SIMSON VC MEETING WITH THE CEOs OF THE LEADING OFFSHORE WIND COMPANIES

20 OCTOBER 2020

SCENE SETTER

- The EU strategy on Offshore Renewable Energy Strategy is planned for adoption on 18 November.
- Meeting with WindEurope and CEOs of leading companies in offshore wind (Ørsted, Vattenfall, Siemens Gamesa, MHI Vestas)
- WindEurope and these companies are well involved in public consultation activities organized in the context of the preparation of the offshore Strategy.
- During the meeting you will have two turbine producers and two managers of wind parks. Will attend:
 - ✓ [REDACTED] Siemens Gamesa Renewable Energy: the largest manufacturer of offshore wind turbines;
 - ✓ [REDACTED] MHI Vestas, the 2nd largest manufacturer of offshore wind turbines;
 - ✓ [REDACTED] Offshore Wind, Ørsted;
 - ✓ [REDACTED] Iberdrola Renewables Offshore; and
 - ✓ [REDACTED] Vattenfall Wind

Objectives

- Inform offshore wind stakeholders about the ambition and objectives of the upcoming strategy and obtain their views on what are the main challenges and needs of the sector.

Meeting with CEOs
Offshore Wind
20 October 2020

SPEAKING POINTS

- **In November, the Commission will adopt an EU strategy on Offshore Renewable Energy.**
- The Green Deal underlines that **offshore wind will be instrumental in the clean energy transition**. Offshore wind energy is a key element to build a power system largely based of renewables and is at the heart of an integrated energy system for a climate-neutral EU.
- We all agree Europe will need more offshore renewable energy in the coming years especially if we want to deliver on our commitment to reduce GHG emission by at least 55% by 2030.
- I would like to thank you and your members for the active and much appreciated involvement throughout the last year and in particular during the **stakeholder consultation**. Your feedback has been extremely useful and has been a relevant input to the strategy.
- Our Strategy is a **great opportunity in terms of European industrial and technological development**. The deployment of renewable offshore energies should play a **prominent role in the recovery phase** as it has great potential by generating domestic jobs, value chains and related industrial, research and services capacity.
- The Strategy will aim at **fostering a massive cost-effective and sustainable scale up** of offshore renewable energies in the whole EU.
- Both **bottom fixed and floating offshore wind** will play a crucial role in this scale up. The **development of floating offshore wind may allow exploiting the substantial wind potential** in several sea basins such as in the Mediterranean Sea.
- The Strategy will in particular:
 - **Address the issue of coordinating planning especially the development of offshore and onshore electricity grids**. These aspects will be reflected in the ongoing review of the Regulation on Trans-European Energy Networks (TEN-E, legislative proposal planned by end 2020), which deals with European infrastructure planning and steering of Project of Common Interest (PCIs);
 - **Aim to create a favourable and predictable framework for investors** and operators in offshore renewable energy, by addressing market arrangements and cross-border support schemes for offshore renewable energy projects;
 - **Support our world-class industry** in the development of the key technologies and innovations needed both for renewables and the grid of the future;

- **Support regional cooperation.** in particular at sea basin levels (North, Baltic, Mediterranean and Black seas, Atlantic ocean, outermost regions and overseas territories);
 - **Address the aspects of energy demand management and Energy System Integration** (hydrogen, power to gas) in line with dedicated initiatives;
 - And finally, one major element will also be to look at ways to best use the funding that will be available from the **Recovery and Resilience Facility** as well as other EU programs to boost clean energy investments, in particular in offshore.
- The Strategy will also promote demonstration of floating technologies as well as promoting R&I across the value chain for offshore fixed and floating wind.
 - Let me close by mentioning that the **German Presidency priorities in the energy field are well aligned with the Commission's priorities** (Energy Sector Integration and hydrogen strategies). This Momentum is unique and should allow to deliver the required boost to offshore wind in Europe.
 - So I am in your hands and would like to hear you latest view on the way our strategy can help you.

BACKGROUND

Offshore wind stakeholders position paper on the offshore Strategy

- WindEurope, Ørsted, Vattenfall and Siemens Gamesa took part in the public consultation and submitted each a position paper.
- Several aspects were repeatedly mentioned in the position paper of the interlocutors.

You will find below these elements and how they are already reflected in the current draft of the Strategy:

- Importance of access to sea space and Maritime Spatial Planning (MSP)
 - *In the Strategy: MSP is a key element and have its dedicated section. Several actions will be proposed such as alignment of MSP with NECPs or ways to develop a common approach and pilot projects on MSP at sea-basin level*
- The need to facilitate permitting
 - *In the Strategy: Permitting procedures and their streamlining are considered.*
- Developing a strong European transmission and distribution grid
 - *In the Strategy: The strategy consider establishing the right framework for long term offshore grid planning. Furthermore, this framework should enable TSOs to undertake anticipatory offshore grid investments.*
- Putting in place a favourable investment framework that provides (long term) certainty for investors
 - *In the Strategy: Creating a predictable revenue framework for renewables generators will be a key element of the strategy with its own dedicated section. Amongst other aspects, the revision of the State aid guidelines on energy and environmental protections will be considered. This revision should provide a fully updated and fit-for-purpose enabling framework for a cost-effective deployment of clean energy.*
- Energy System integration
 - *In the Strategy: an effective integration of offshore renewable energies into the energy system is essential. Aspects such as Power-to-X, batteries and storage systems as well as developing enablers and carriers such as hydrogen and ammonia will appear in the strategy.*

- Ørsted stressed the need for short and long-term regulatory solutions for hybrid projects. They published a note in this regard in May 2020.
 - *In the Strategy: The strategy aim at encouraging more hybrid projects to come forward through a predictable and regulatory framework. The strategy will address the review of the regulation (EU) 2019/943 on the allocation of congestion income and how it could allow for more flexibility for offshore hybrid projects.*
- Ørsted also put emphasis on the need to ensure low electricity prices for consumers by moving from subsidies to risk sharing.
 - *In the Strategy: the revision of the State aid guidelines on energy and environmental protection will be considered to provide a fully updated and fit-for-purpose enabling framework for a cost-effective deployment of clean energy.*
- Siemens Gamesa highlighted the need to invest in ports and to explore the export opportunities.
 - *In the Strategy: Ports upgrade is included in the strategy. The strategy will also explore how to facilitate the development of new export markets for offshore renewables while strengthening existing ones. Exchanging on policy frameworks and sector developments in the EU's energy dialogues with partner countries could be an option.*