

WindEurope and DG Grow meeting	
Date	7 th October 2022, 11.30-12.30 BREY - meeting room 23 - 14th floor
External attendees	<ul style="list-style-type: none"> • [REDACTED] Offshore Wind, RWE Renewables and [REDACTED] WindEurope • [REDACTED] Iberdrola Renewables • [REDACTED] BI&S, Vattenfall Wind • [REDACTED] Siemens Gamesa Renewable Energy • [REDACTED] Global Public Affairs, Nordex • [REDACTED] WindEurope • [REDACTED], WindEurope
DG Grow attendees	<ul style="list-style-type: none"> • Maive Rute, Deputy Deputy Director-General - Responsible for Directorates C, D H & I • [REDACTED] GROW.I.3 - Green and Circular Economy • [REDACTED] - Sustainable Industrial Policy, GROW.I.3 - Green and Circular Economy • [REDACTED] GROW.I.3 - Green and Circular Economy
	<p>In the first part of the meeting, the WindEurope representatives have presented a number of recent concerning developments in the wind energy industry and the challenges the European wind energy supply chain is facing. Whilst the revenues of the EU producers have been going up over the past years, the margins are falling. Key players in the supply chain are suffering losses and exports of wind technology are decreasing. In order to avoid international dependencies, the value creation in the wind industry in Europe is important. Current shortages in the supply chain for the offshore wind deployment are already occurring for vessels, cables, foundations and substations. The supply chain capacity is not yet sufficient to meet the global demand increase. WindEurope are concerned about the US Inflation Reduction Act (IRA), which should be attracting the production of wind energy technology to the US, away from Europe.</p>
	<p>[REDACTED] Iberdrola Renewables, flagged 3 main issues:</p> <ol style="list-style-type: none"> 1) Permitting issues hamper a timely delivery. The process needs to be faster and further digitalised. 2) Several factors affect the supply chain and the feasibility of meeting necessary production goals, such as negative bidding in auctions, time inefficiencies between the point of auctions and the start of the projects, external circumstances, logistics rates increase and raw material issues. 3) Lack of regulatory stability especially vis-à-vis the novel IRA policy in the US.
	<p>[REDACTED] Siemens Gamesa Renewable Energy, stressed the power that China has in the manufacturing sector for wind energy technology thanks to state aids and higher public support in innovation investment compared to the EU. He stressed the need for a level playing field in order for Europe to compete internationally and to ensure the independence of the energy supply chain and continued growth in the number of jobs (currently 300,000 in Europe).</p>
	<p>[REDACTED] Offshore Wind, RWE Renewables and [REDACTED] WindEurope, explained that the market outlook is very ambitious and all scenarios calculate with the maximum maritime capacity for offshore deployment projects. Offshore projects are vastly impacted by the current inflation rates due to longer project durations and project planning timelines of several years, which makes the cost of capital an important factor in the financial assessment of the profitability of the projects. Further expansion of the onshore wind energy deployment is necessary to live up to Green Deal and REPowerEU plans.</p>

	<p>BI&S, Vattenfall Wind, stressed how the short-term introduction of a revenue cap for wind, solar and nuclear plants as part of the temporary adjustments to the electricity market design poses a risk to the industry and flagged six key issues:</p> <ol style="list-style-type: none"> 1) The cap needs to be technologically neutral 2) It should not be applied retroactively 3) Changes should be avoided to the cap 4) Double taxation would impose difficulties 5) Monthly time horizons should apply to the calculations 6) Heterogeneity affects cross-border transactions
	<p>Maive Rute, Deputy Director-General for DG GROW, responded to the concerns of WindEurope representatives outlining a number of measures to ensure that the manufacturing sector remains in Europe. She noted the importance to maintain the competitiveness of the EU wind energy sector. She highlighted the EU Global Gateway initiative as an option to build partnerships with South America, South East Asia and Africa in the wind industry sector.</p> <p>To create a level playing field the public procurement law will be relevant for the energy sector and will allow limiting the influence of third countries and scrutinising countries like China in order to prevent dumping. Corporate Due Diligence and the upcoming regulation on forced labour will be helpful to limit the deployment of products or materials from countries with exploitative working conditions, such as China in certain regions. In terms of an outlook into the future regarding raw materials, potential partners like Ukraine may become important.</p> <p>The Inflation Reduction Act in the US could be countered by the State Aid Framework, which allows a MS to support investments in the EU. National energy plans also need to be updated in the EU MS, which DG Energy is working on. There is also a DG Energy taskforce set up to work on speeding up the permitting process. Competitiveness will also be a key topic in the Clean Energy Industrial Forum. DG Grow is currently working on guidance on non-price criteria in wind industry auctions, which will be helpful in changing the nature of the auctions.</p> <p>DG Reform allows MS to benefit from financial means and necessary training for structural reform projects, which could be useful for upskilling and further developing the wind industry in the EU. Vis-à-vis the German proposal for a platform on transformative technologies, a dedicated task force could be introduced to support particularly wind technologies deployment in the EU.</p> <p>Regarding the EU revenue cap, Maive Rute stressed that this has been introduced to help citizens and SMEs. However, insights from industry on the calculation are welcome to further understand the impact, for example within the scope of the Industry Forum. Financial support may also be possible through the European Investment Bank and European Investment Fund that help banks in member states. The business agents community can be further consulted to facilitate investments in this area.</p> <p>The discussed actions and measures would be best channelled into a taskforce with a clear list of actions and timeline over the next 12 months.</p>

