

## **Press Release**

**30 November 2022**

**Brussels**

### ***Debate Summary: The Contribution of Offshore Wind to the Baltic Sea Member States' Energy Transformation***

***On Wednesday, 16 November 2022, The Union of Entrepreneurs and Employers (ZPP) organised a debate in partnership with the European Enterprise Alliance (EEA), SME Connect, and Baltic Power on the contribution of offshore wind to the Baltic Sea Member States' energy transformation in the European Parliament.***

**Maciej Burny**, an Energy Expert acting on behalf of the Union of Entrepreneurs and Employers, hosted the event, which was conducted in different parts, including presentations, discussion and conclusions. It was a great success led by speakers Jaroslaw Broda, Board Member of Baltic Power; Pierre Tardieu, Chief Policy Officer of Wind Europe; Inese Vaidere MEP, ECON & ENVI Committee; Niels Fuglsang MEP, ITRE Committee; Zdzislaw Krasnodebski MEP, Vice-Chair of ITRE Committee; Marcin Nowacki, Vice-President, Union of Entrepreneurs and Employers (ZPP), President, European Enterprise Alliance and Rapporteur for the EESC opinion on Offshore Renewable Energy Strategy.

**Zdzislaw Krasnodebski**, an MEP and the vice-chair of the ITRE Committee, introduced opening remarks and emphasised the current crisis in the energy sector and the solutions to be pursued. Mr Krasnodebski pointed to the need to speed up the energy transition, particularly in the current times of war in Ukraine and the need to eliminate fossil fuel imports from Russia to the EU. Mr Krasnodebski highlighted the critical role of offshore wind farms in this accelerated energy transition. He also delivered his gratitude for having an opportunity to present such an important topic.

**Jaroslaw Broda**, a Board Member of Baltic Power and **Pierre Tardieu**, a Chief Policy Officer of Wind Europe, followed with their key points. Mr Broda described the contribution of Baltic

Power's – a joint venture of PKN Orlen and Northland Power – offshore wind project of 1.2 GW to the European Union's energy transformation. Mr Broda underlined that the project is currently the most advanced on the Polish side of the Baltic Sea, and the investment is expected to be ready by 2026. Mr Broda also detailed the reasons why offshore wind farms are currently important in Europe's energy transition – as they provide affordable electricity – well below current wholesale market prices – are climate-friendly, and enhance energy security. As such, the project will significantly contribute to the realisation of the Baltic Sea Member States' offshore wind 2030 targets – ca. 20 GW of installed capacity in this technology.

In conclusion, Mr Broda underlined the main challenge of ensuring financial profitability of offshore wind projects amid a strong increase in investment and financing costs associated with high inflation, supply crunch and volatility in currency exchanges. *“We need to accelerate permitting procedures to speed up the deployment of offshore wind in line with the REpowerEU objectives. We also need to ensure fair financial profitability of the projects in a currently adverse macroeconomic environment, which has changed drastically in the recent year or so”*, emphasised Mr Broda.

These key points were followed by Pierre Tardieu, a Chief Policy Officer of Wind Europe, who presented multiple steps to achieve wind power results. Mr Tardieu highlighted the need to increase the role of offshore wind in the EU's long-term energy mix and discussed some key challenges to fulfilling its potential on the Baltic Sea and in the EU. Mr Tardieu emphasised particularly the need to speed up the permitting process for ongoing and new projects – the call was also present in Mr Broda's presentation. The other challenge is maintaining the EU supply chain, as we currently witness increased competition from technology providers from other markets, particularly China.

**Inese Vaidere**, an MEP member of the ECON & ENVI Committee, informed us about the Latvian administration's top priority, which is to move away from Russian fossil fuel imports and increase the country's energy security. Wind energy development is one way to do so while ensuring affordable electricity prices. Ms Vaidere also highlighted the need to ensure compliance of wind power with environmental standards and minimise its impact on the marine environment and biodiversity. Ms Vaidere mentioned the need to increase the funding for the number of projects to be escalated.

**Niels Fuglsang**, an MEP member of the ITRE Committee, discussed the important role of the Baltic countries in offshore wind development in the European Union, which is committed to installing 60 GW in this technology by 2030. To achieve that, the acceleration of investments and permitting is required. Investors and lawmakers should work together on this. He praised Baltic Power's project as a great example of providing local content from European technology suppliers, as seen by the selection of Vestas as the wind turbine

provider, who will establish a factory in the Polish city of Szczecin and provide green jobs for the region. Mr Fuglsang highlighted the role of offshore wind in future green hydrogen production, which can lead to more sector coupling in the future. *"Baltic Power project will contribute to both Marienborg declaration and European offshore ambition. If we succeed with the declaration, we will be able to produce energy in a level we can use and sell the energy to others, also transforming some of this power to hydrogen"*, says Mr Fuglsang.

**Marcin Nowacki**, a Vice-President of the Union of Entrepreneurs and Employers (PZP), President of the European Enterprise Alliance and Rapporteur for the EESC opinion on Offshore Renewable Energy Strategy, explained the movement in terms of energy transformation, the capacity of the Baltic Sea with the position of the European Union. The effectiveness of the clean energy source comes from supporting both SMEs and large businesses and building capacity and connections between EU and global players. We should not give away essential parts of the supply chain to China and provide European technology companies to be in charge. Mr Nowacki has also focused on whether we still depend on fossil fuels. To some extent, we are safe, but in terms of offshore and wind, we need to do it within the EU's provided technology. Given our circumstances in the energy sector, we should focus on formatting it safely and fast.

**Zdzislaw Krasnodebski**, an MEP and a Vice-Chair of the ITRE Committee, concluded the topic with a final emphasis on the potential of the Baltic Sea in the context of transmission grid development in the region and the associated funding stemming from the Trans European Energy infrastructure program.