

Position Paper on Wind Energy Action Plan

The European Enterprise Alliance and the Union of Entrepreneurs and Employers (ZPP) present our strong endorsement of the Wind Energy Action Plan, an ambitious and transformative strategy poised to shape the future of Europe's energy landscape. Rooted in our commitment to sustainable development and economic prosperity, we support this initiative, recognizing its pivotal role in actualizing the European Union's lofty goals for wind energy deployment.

Background

The European Commission published the European Wind Power Action Plan on October 24, 2023. At its core, the plan is a response to the pressing need for a comprehensive strategy to meet the EU's renewable energy targets. It encapsulates a series of actions within six different categories, commitments, and measures designed to accelerate the deployment of wind energy, foster innovation, and ensure the industry's global competitiveness.

Acceleration of Deployment Through Increased Predictability and Faster Permitting

The Wind Energy Action Plan's pivotal focus is on accelerating deployment through heightened predictability and streamlined permitting processes. The commitment to frontload the transposition and implementation of the Renewable Energy Directive¹, coupled with the digitalization of national permitting processes, resonates with our vision for a regulatory environment that is both agile and supportive. The proposal for a dedicated online tool, slated for launch by the end of 2023, demonstrates a commitment to cutting-edge solutions that facilitate efficient permitting. The explicit integration of wind deployment pledges in Member States' 10-year plans underscores a strategic approach toward long-term and sustainable growth. There is a commitment to upgrading the informal expert group on permitting into a dedicated forum, fostering collaboration and sharing best practices. The potential extension of the EU emergency permitting rules, pending the review of their effectiveness, shows a nuanced and adaptive approach to regulatory frameworks. We stand firmly behind the idea that visibility on auction schedules and establishing a digital platform for Member States' auction planning enhances transparency, aiding in the formulation of comprehensive wind deployment strategies. Starting November 2023, there will be a Prolongation of the Emergency Regulation on permitting, The Commission and

¹https://energy.ec.europa.eu/topics/renewable-energy/renewable-energy-directive-targets-and-rules/renewable-energy-directive_en

Member States should collaborate closely to expedite the process, facilitating quicker approval, transposition, and implementation of the updated RED provisions related to permitting, as outlined in "Accele-RE." which then will be followed by the Member States increasing the visibility of the wind projects pipeline through wind pledges, publication of mid-term auction schedules, and long-term plans for renewables deployment and lastly, the Commission will adopt an action plan to facilitate grid build-out in before the end of 2023.

Improved Auction Design

The commitment to improving auction design is a welcome stride toward creating a competitive and sustainable market for wind energy. We strongly advocate for the proposed qualitative criteria in auctioning, such as cybersecurity and sustainability, which reflect a comprehensive understanding of the sector's multifaceted challenges. On the other hand, the aforementioned criteria should be transparent and comparable to avoid any unethical practices. The integration of non-price award criteria rewarding sustainability and innovation aligns with our vision for a forward-looking and socially responsible wind energy sector. There is a clear emphasis on the consequences assessment of negative bidding on offshore wind farm development signals a proactive approach to risk management. The linkage between the European Commission's work on qualitative criteria and the ongoing negotiations for the Net Zero Industry Act ensures that these criteria are embedded in a broader legislative context. The commitment to evaluating cybersecurity risks for critical infrastructure underlines a commitment to securing the integrity of the wind energy sector. Member States are advised to incorporate specific qualitative design criteria and measures in their auctions for the first quarter of 2024, aiming to optimize the project execution rate, the cybersecurity risks and dealing with the initiation of data protection aspect will be addressed accordingly, followed by the commission upgrading the use of strategic procurement in the as of the context of the Global Gateway. However, there is a possibility that the innovative use of qualitative criteria in auctions might face scrutiny due to perceived subjectivity and a lack of standardization; improving the credibility of the auction design could be achieved by offering clearer guidelines and methodologies for evaluating these criteria. As in the context of Poland, the auctions for renewable energy in the year 2023, have declined, scoring even poorer than the year before². Therefore, We address the urgency of a well-designed auction framework that will foster innovation and sustainability in member countries.

Access to Finance

Ensuring access to finance is a linchpin in the successful implementation of the Wind Energy Action Plan. We commend the European Commission's commitment to doubling the EU Innovation Fund budget for clean technologies, with a specific focus on wind energy projects. The prioritization of wind energy projects in the November 2023 Innovation Fund call reflects a strategic allocation of resources to sectors that are pivotal in achieving the

² <https://energia.rp.pl/oze/art39477521-kleska-tegorocznych-aukcji-oze>

EU's renewable energy goals. The exclusion of other energy projects in the November 2023 Innovation Fund call signifies a selective distribution of resources away from sectors deemed crucial for attaining the EU's renewable energy objectives. Thus, We advocate for technological neutrality and endorse environmentally sustainable solutions; the unequal funding access for example for nuclear power highlights the imperative for reform. Collaboration with the European Investment Bank (EIB) to provide de-risking tools and guarantees for EU wind companies demonstrates a comprehensive understanding of the financial barriers faced by the wind energy sector. Access to finance by the end of 2023, will take four steps:

- Commission to facilitate access to EU financing (Under **Innovation Fund**, budget allocation for clean energy manufacturing projects the amount of EUR 1.4 billion)
- European Investment Bank (EIB) to provide de-risking tools and guarantees for EU wind companies
- Member States to make full use of the flexibility provided under State aid rules for the EU wind value chain
- Commission to strengthen the dialogue with investors to foster the attractiveness of investment in the EU's wind sector

Although, the outlined steps might be perceived as too ambitious, and not be feasible within a given limited time period. To avoid the risk, detailed plans, risk assessments, and contingency measures could address concerns about the practicality and effectiveness of the proposed financial initiatives.

We support the call for Member States to leverage the flexibility provided under State aid rules for the EU wind value chain, recognizing the need for a coordinated and supportive financial ecosystem, it is evident that robust financial support is indispensable for unlocking the full potential of the wind energy sector.

Ensuring a Fair and Competitive International Environment

The Wind Energy Action Plan's emphasis on ensuring a fair and competitive international environment is a testament to Europe's commitment to global leadership in the wind energy sector. We strongly support the active use of trade defense instruments, facilitating market access for EU manufacturers, and enhancing standardization in the wind energy sector.

The commitment to negotiating international trade agreements and developing a rulebook on subsidies within the World Trade Organization (WTO) reflects a proactive approach to establishing a level playing field. Leveraging the EU Foreign Subsidy Regulation and foreign direct investment screening to counter unfair trade practices demonstrates a commitment to safeguarding the EU internal market. The encouragement for the European wind industry to submit evidence of unfair practices is a commendable step toward fostering a transparent and accountable global marketplace. As soon as the plan is adopted, Active use of trade

defence instruments will take place, the Commission will facilitate EU manufacturers' access to foreign markets and by the end of 2023, the standardisation in the wind energy sector

will be enhanced. However, Trade tension may rise due to the reliance on trade defence instruments and foreign subsidy regulations and to mitigate concerns about protectionism, a revision of how these measures align with international trade norms and promoting diplomatic solutions can be a viable option.

Our support is underpinned by the belief that a fair and competitive international environment is not only beneficial for European manufacturers but also essential for fostering global collaboration on climate goals.

Skills

Addressing the skills gap in the wind energy sector is a cornerstone of our endorsement of the Wind Energy Action Plan. We applaud the commitment of the Commission and Member States to design projects that support skills development under the EU Large Scale Skills Partnerships for Renewable Energy.

The establishment of Net Zero Academies under the Net Zero Industry Act is a strategic move toward ensuring a skilled and adaptive workforce. By mid-2024, The aim is to large Scale Skills Partnerships for Renewable Energy to design projects that support skills development for the renewable energy sector, including wind.

We believe that investing in skills development is not merely an ancillary consideration but a foundational pillar for the long-term success and resilience of the wind energy sector.

Industry Engagement and Member States Commitments

We emphasize the pivotal role of industry engagement and voluntary commitments through the EU Wind Charter. The collaborative approach outlined in the action plan, where Member States and industry commitments align with policy goals, is crucial for realizing the full potential of this strategic initiative. By the end of 2023, the EU Wind Charter should be in place. EU Wind Charter provides a framework for meaningful collaboration, fostering an environment conducive to the growth and competitiveness of the European wind industry. Yet, scepticism may arise regarding the enforceability and effectiveness of voluntary commitments outlined in the EU Wind Charter; thus, enhancing the commitment's impact necessitates the implementation of mechanisms for accountability, regular reporting, and consequences for non-compliance.

European Enterprise Alliance and Union of Entrepreneurs and Employers (ZPP) support the Wind Energy Action Plan. Our endorsement is not merely a symbolic gesture but a resolute

stance in favour of a transformative strategy that aligns with our vision for a sustainable, low-carbon future. We call for swift and resolute implementation, urging collaboration between policymakers, industries, and civil society to ensure a robust and energy future for Europe.

References

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