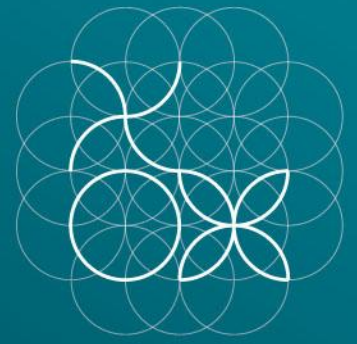


# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



## EREC's 10<sup>th</sup> Anniversary

Wednesday, 29th September 2010

The attendees to EREC's (European Renewable Energy Council) 10th anniversary conference, « Renewable energy development 2000-2010 : Highlights, trends & outlook into the future », were all seated in the main conference room of Hotel Stanhope in Brussels' European Quarter, much to the relief of the EREC Team, as circumstances had come together to make participation more difficult than it need be. That particular day had also been chosen by the European Trade Union Confederation (ETUC) as their European Day of Action, « No to Austerity – Priority for Jobs and Growth », and a demonstration was underway all through the afternoon, involving between 80,000 and 120,000 people. To make matters worse, Belgian air-traffic control workers also picked the day for their own strike, meaning that a non-negligible number of attendees, including the Chairperson and a couple of speakers, were unable to assure presence.

Despite all this, our Secretary General, **Christine Lins**, confidently proclaimed: “Even 80,000 people cannot stop renewables!” and she was right as the day proved a success and the mood was to rejoicing, not only on the development of the renewable energy industry and the favourable policy framework put in place over the last 10 years but in confidence that the decade to come held more in store.

After Christine warmly welcomed the room to the ‘10 years of EREC’, the **first session** could begin and the **son of Carlos Robles Piquer**, Member of the European Parliament (MEP) from 1984 to 1999, took the floor on behalf of his father, who had not been able to attend due to air-traffic perturbations and was left fuming in Spain. He reminded the audience of a conference which took place in Madrid in March 1994 at which renewable energy had been pronounced the “best choice”. His past experience working on the ground in the energy sector led him to join the ITRE (Industry, Research and Energy) Committee of the European Parliament in 1986, convinced of one thing, energy deficit. As stated by his son in reference to his own words, “we have to import all the oil we consume”. As far as coal is concerned, the resource is scarce and mining has to be subsidised. Robles Piquer stands in favour of nuclear energy, but recognised that growth in the sector was difficult in many Member States due to sturdy public resistance. The Declaration of Madrid ([Declaration – European Regions for Energy Efficiency and Renewable Energy Sources](#)) created a ‘new deal’ for renewable energy sources (RES), initiated by [FEDARENE](#), the premier European network of regional and local organisations which implement, co-ordinate and facilitate energy and environment policies and [O.Ö. Energiesparverband](#), the energy agency of Upper Austria. Robles Piquer later helped found [EUFORES](#), European parliamentary network with Members from all major political groups in the European Parliament as well as in the national and regional Parliaments of the EU Member States with the core objective of promoting renewable energy and energy efficiency. As ending words, Robles Piquer translated his father's thoughts, which were that, in terms of energy,

EREC's MEMBERS:



# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



'Europe is the youngest continent of our planet'.

The next speaker was EREC's President, **Arthouros Zervos**, who, in response to Christine's moderating question, declared that the last ten years had, of course, resulted in a "positive balance", much over his expectations. As Zervos philosophically put it, "if you have a vision in your life and it becomes true, then your life becomes worth it". He pointed out that just ten years ago, renewable energy industry leaders were considered "not crazy, but almost"; that they had achieved, as a sector, much more than they were expecting to 10 or 20 years ago (he stressed that there still was a long way to go) and expressed hope that he would still be around in 10 years to witness the progress made by then, but stressed that there still was a long way to go.

Next on the panel of illustrious speakers was **Mechtild Rothe**, Member of the European Parliament from 1984 until 2009 and Vice-President (2007-2009), who began her speech by saying that there was indeed much to congratulate on this day and that EREC had played an instigating role in the development of the RES sector over the last 10 years. Rothe retraced the last ten years of legislative work in the European Parliament (EP), since the initiative report on RES in 1996 where the EP asked the European Commission (EC) for targets or an action plan. She qualified RES as a "small, beautiful plant". Back at the time, no one ever thought it was also a new danger for their sector (conventional energy sector), so everyone was in favour of RES, including nuclear and coal professionals. When discussions began in 1997 on the EC White Paper on "Energy for the Future" (setting the target of 12% RES by 2010), that's when the first differences between different energy experts appeared, as talks became more concrete, discussing targets and support schemes (etc.). Rothe made the emphasis on the fact that, in her view, it was the work of some people in the EP and in associations (such as EREC and its members and associates) getting together that made the development over the last ten years possible, beginning with the first piece of legislation on renewables in 2001 (Electricity Directive, 2001/77/EC).

**Patrick Lambert**, Director at Executive Agency for Competitiveness & Innovation (EACI), EC, was next to speak, going back over the last decade and to the days when the EC Directorate-General for Energy (DG ENER) was DG17. There were, as Lambert put it, "very few believers in those days" and conventional energy "ruled the roost", with just one unit dealing with RUE (Rational Use of Energy) and EE (Energy Efficiency) and RES (Renewable Energy Sources). Lambert was Head of Unit, and him and his team were tucked away in the organigramme of the DG and symbolically, also physically, as an "alternative outfit in an alternative building", away from the main offices. Now, there are four units in DG ENER dealing with what we might call 'clean energy' (under ENER.DDG1.C: New and renewable sources of energy, energy efficiency & innovation), "beaver away at coal face". Lambert confirmed Rothe's view that a handful of active and dedicated professionals played a major part in the push for RES, naming ESTELA's Secretary General, **Mariàngels Pérez Latorre**, making it more a matter of people than structure.

Then began a rapid and jovial exchange between EREC's President, **Arthouros Zervos**, and **Patrick Lambert**, where the latter rekindled his memories of the summer of 1997, when he was charged with writing the White Paper on RES (COM(97)599 final) and spent his holiday

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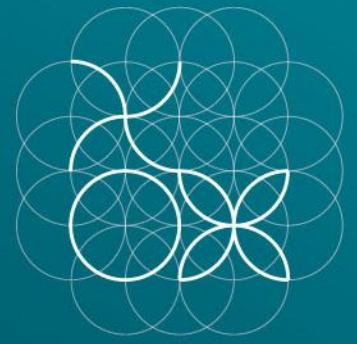


# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



worrying about it, to which Zervos replied that he had spent his summer writing it, a statement which was met with laughter and cheering from the room.

Zervos went on to provide a brief overview of the last ten years in the different sectors, pointing to a “great success” in some of the sectors: wind and photovoltaics (PV) went ahead of their targets, geothermal ended up doing much more than predicted in the White Paper, while other sectors developed but not necessarily as expected, with biomass, for instance, under reaching (but explaining that the remaining energy needing to come from renewables to reach the overall 12% target for 2010 was put in biomass, meaning that the target set for the sector was perhaps over ambitious as a result). The 12% target set in the White Paper was based on primary energy, meaning that it has therefore not quite been achieved, however, in terms of final energy consumption, it will be reached by the end of the year as we already have 11% in the EU at the moment (September 2010). Zervos continued to illustrate the success story of the RES sector, presenting it in terms of its employment force, with just seven people working for EREC and its Member Associations in 2000, and him seriously wondering how he was going to pay the rent of the first RES headquarters (not yet the Renewable Energy House – REH, into which EREC and its Members would move into in 2005), and then of the REH, to 2010, when one association had to move out as there was no longer enough office space for over 110 people.

In answer to Christine’s question on what made this change happen, Lambert underlined that there was no one element in particular that did it, rather a combination of a number of crucial elements, which he proceeded to list: political leadership (at EU, national and regional level), organisation of the RES sectors, formation of EREC, economies of reduction in cost over time, subsidies by national and regional governments, gas interruptions, talk about finite fossil fuels, peak oil, security of energy supply, concerns in certain Member States, environmental and climate change, and last but not least, public opinion (or Zeitgeist). To illustrate this final point, he gave as example the Belgian countryside, where you can see solar panels decorating more and more rooftops. Lambert also mentioned the numerous IEE, ALTENER and FP7 projects, of which, Christine reminded, the book on display at the event, “*Renewable Energy in Europe - Markets, Trends and Technologies (2nd edition)*”, is a concrete example (for more information, visit EREC’s [website](#)).

**Mechtild Rothe** chimed in that in the EP at least, what had made things happen, was the “special culture of cooperation” established, where politicians from different parties (S&D, EPP, Greens, sometimes GUE/NGL) found themselves sitting in her office debating what actions to take and then how to convince other members of their respective parties, pointing out that this is not always the case in the EP, although this is true politics, as it should be.

Christine grabbed the stick to conclude that on this vision of renewable energy as a uniting element going beyond political borders.

Session one ends with MEP **Claude Turmes**, or ‘Mr Renewables’, as Christine put it, who announces renewable energy as “the single and biggest success of European policy” of the last ten years, not least as it something that, in his view, citizens and especially young citizens, see as the major hope for the future. The demonstration outside shows that it is a difficult and dangerous time for EU policy, as the biggest rally probably organised by trade unions rages on the streets of Europe’s capital, and too many people are out of jobs or have low incomes. The

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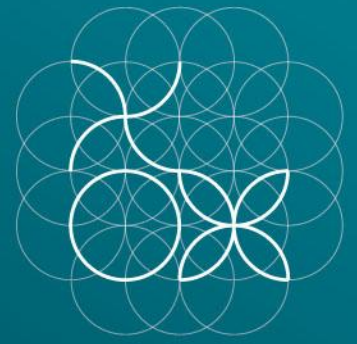


# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



vision of 100% RES is probably the single most appealing vision “we can bring to young citizens in Europe”, pointing to several serious studies looking to energy scenarios for 2050 (incl. EREC’s [RE-thinking 2050](#) report). Turmes emphasised that the most important task for policy makers now was the implementation of the RES Directive (2009/28/EC), urging everyone in the room not to “relax in our efforts”, as it has to be transposed into national legislation by 5th December 2010, stressing that we need “continuity in the pressure”. The success of the binding 20% RES target for the EU should, in all logic, be combined with a 20% target for EE, as the energy system of today has to be completely changed. Turmes expressed surprise that big power companies did not put up more of a fuss at the time of the RES Directive, but said that they are doing it now, and Germany is an example of that, as nuclear companies pick up speed, coming up in arms against national support schemes and especially Feed-in tariffs. The RES sector must react and reassure national governments in their efforts to promote RES deployment across Europe. Turmes warned against the first appealing sound of projects such as DESERTEC where, in his opinion, no doubt lies in the assertion that the same pipelines will be used to carry electricity from large coal fired power plants. He also reiterated his personal view that biofuel policy in the EU needed to be rethought and the EU should perform a leap forward to electric cars, leaving biofuels to cater for the HDVs (Heavy Duty Vehicles), shipping and aviation markets. To end, he called for enthusiasm to be kept up and that the work of pioneers such as Mechtild Rothe and EPP MEP Carmen Fraga had to be continued, also through the new generation of politicians.

**Session two** began around 16:00 with EREC’s Member Associations represented on the panel by their presidents. **Arthouros Zervos**, president of EREC & EWEA, started off the session by stating that 10-15 years ago, 100% RES would have been “out of the moon”, though now he believes it is feasible though the effort needed is immense, not least if humanity wants to survive on this planet, rotating ball of finite resources in a universe we barely know or understand. The environmental issue is the central point of rotation of the RES revolution that is needed; in that perspective, the “target does not matter, it’s the direction that’s important”, pointing out that we need to engage beyond 2020 and openly criticising the recent EC update on “EU Trends to 2030” which foresees but a share of 22.8% in 2030, i.e. just 2.8% above the figure for 2020. Asked by Christine which of the two, the industry proclaiming to be on the way to reaching 100% by 2050 and the EC predicting such a minute increase, was right, Zervos answered: “Of course they are unrealistic, they always are! I think it’s very strange, the least I can say.” If we arrive at 20% RES in 2020, then 80% of the EU power sector will be RES and a drop down to 20-30% after that seemed to him a strange assumption to make.

At that point, EC Energy Commissioner **Günther Oettinger** enters the room and makes his way up onto the podium, Zervos breaks off his speech, moves in his seat, as Oettinger takes his seat in the middle of the panel, between Zervos and Christine. Zervos starts up again, taking the opportunity to reiterate his point, “so what, all national support schemes for RES will stop in 2020? I hope we will have an answer (...) and that the Commission will come out with something more useful in the future.”

It is now time for Oettinger to take the floor and he strides over to the pulpit. Because of all the traffic problems, he had to come on foot to the conference. He indicated that renewable energy

EREC’s MEMBERS:



# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



was the key to reaching the climate and energy goals the EU has set itself, as well as guaranteeing security of energy supply. He pointed to Germany and Spain setting them as examples where the Governments and companies were leading the RES competition. He highlighted two main aspects of the future RES developments as he saw it: 1) the importance of implementing “in spirit and to the letter” the RES Directive in the MS and the need for a long-term vision to 2030, 2040 and 2050, stating that “everybody needs planning and priority”. The first critical test that he saw was the National Renewable Energy Action Plans (NREAPs), stating that the Commission had received 21-22 of them to date was busy analysing them in earnest. Oettinger then raised the issue that there was a need for greater research and innovation funding, which brought him on to the SET Plan and to the EC’s upcoming Communication on 2050, which will become public in June next year and will be preceded by a “concrete dialogue” in January/February 2011, where he intends to invite stakeholders to his DG and Cabinet to discuss matters in detail. He then pointed to the “Energy Infrastructure Package” which will look into TEN-E and offshore grids among other things and key legislative issues for grid solutions. A new, legislative this time, “Energy Security and Infrastructure Package” will then be issued in 2011 which should go beyond updating existing schemes and address issues surrounding Smart Grids. Oettinger also expressed confidence that the Energy Strategy for 2011-2020 will further clarify the way, as well as talks about a “Low-Carbon Economy” that would be followed by a political document sometime next year. He ended by congratulating EREC again for its hard work and saying that “we need ten or more years of your work!”

Oettinger comes back to his seat and Christine hands him a copy of RE-thinking 2050, which he politely opens and flips through, before folding it up in his hands and holding out his hand for EREC’s next gift, a heavy, gold plated paper holder representing the different RES technologies. Seemingly pleased, he says he will come back, just before leaving the room.

The **Presidents of EREC’s Member Associations** now take the floor, one after the other, to put to the floor a few points of interest on their sector.

**Ingmar Wilhelm**, President of [EPIA](#), stated that within 10 years, his sector would be competitive with conservative energy, proudly emphasising that the market for photovoltaics (PV) had increased its capacity despite the economic downturn in Europe and in the world.

**Olivier Drücke**, [ESTIF](#)’s President, warned of the difficult situation for the heating & cooling sector, which is mostly comprised of SMEs, making it more difficult to form a common message for policy makers; and pointing to the fact that NREAPs seem to show, for the moment, far more ambitious targets for power than for heating and cooling, which represents 50-60% of the energy demand in Europe. Drücke regretted not having had the chance to raise the issue of the “Renewable Heating & Cooling Action Plan” that he had heard about with the Commission.

**Heinz Kopetz**, President of [AEBIOM](#), started off by pointing to increasing carbon stocks and forest cover in Europe and reminding of the “good system” in place in Europe for ensuring a healthy forestry and agricultural sector in Europe. He stated that there not enough incentives for producing more food and more bioenergy, the agricultural policy of the EU should be

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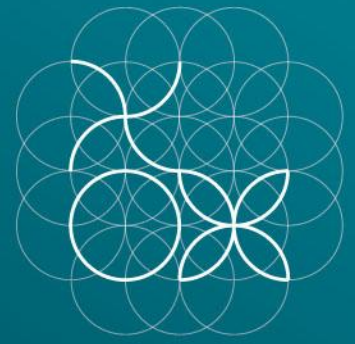
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# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



improved so as to use the potential of our land to the full. He stated that it was better to use land than leave it idle and that 40% of the crop used for biofuels went into making animal feed and that it was imports of unsustainable biofuels which had to be avoided, also in terms of the CO<sub>2</sub> emissions they cause. For the time being, 70% of the bioenergy section is directed towards the production of heat, 15% to fuel and another 15% to electricity. He criticised the NREAPs (the 16 he had looked at) stating that 80% of the heat would be based on fossil fuels or on electricity, when biomass, solar thermal and geothermal should clearly be used to make hot water, more “simple technologies” and this would allow us to save energy at the EU scale.

**Burkhard Sanner**, President of [EGEC](#), informed the audience that geothermal energy was part of the grid and would require a place in the ET-Plan and that renewable heating incentives were an example of the kind of support measures most needed by the sector; “creativity is required”.

**Keith Melton**, President of [EUREC Agency](#), made the distinction between “fundamental research” and “practical research”, the first to be found in universities and in scientific publications, and the latter most likely to be industry led with direct practical implementation. NER300, EERP and the EIBs, for instance, focus on near market technologies. More emphasis is needed on fundamental research for long-term financial and innovation instruments as no single financial tool will do to support the R&D process up to 2030 and 2050. “We need to manage a portfolio of actions.”

**Nathalie Rousseau**, Secretary General of [EU-OEA](#), pointed to wave and tidal technologies, which are more advanced in the game at this stage and for which the big issue is getting their technologies out for demonstration. These technologies tend to be expensive as they have to be sized to the location where they are to go and the level of support offered by the EC is limited (e.g. ocean energy is not included in the SET Plan). In the sector, it is currently not possible to sustain one hundred different technologies, rather it is grand time to “pick some winners” but to do that the biggest need is the capital to get them out onto the ocean.

**Arthouros Zervos**, President of [EWEA](#), highlighted that offshore wind needed new grid infrastructure and a Super Grid should be developed, taking into account the fact that the North Sea, for instance, belongs to different countries.

**Marko Gospodjinacki**, President of [ESHA](#), as the last speaker of the panel, referred to the fact that 50% of the total small hydropower potential in Europe was untapped and laid emphasis on the need for pump storage for electricity, which hydropower can provide and which consists in an important back-up for intermittent sources of energy. He gave an example from his country, Slovenia, where there was a small valley with few inhabitants and when the farmer turned on the milking devices in the evening, his neighbour’s television would switch off. In the end, the power utility in the area built a big hydropower plant, which they had been reticent to build, and the problems between agriculture and entertainment were ended. This illustrates that one of the most important issues on the table for the future of RES in Europe is, in his opinion, the grid (intelligent grid and Virtual Power Plants). He also emphasised the need for independent energy agencies to control grid issues, not leaving it up to big power companies alone. As far

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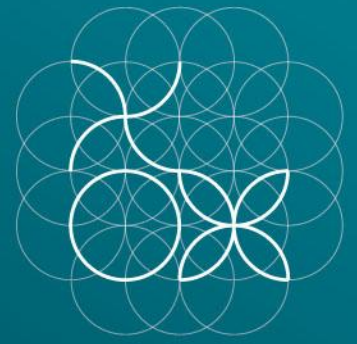


# EREC 2000 - 2010

## Brussels 29<sup>th</sup> September 2010



EREC EUROPEAN RENEWABLE ENERGY COUNCIL



as small hydropower is concerned, he pointed out that it was not so much grid issues as environmental ones, which meant that the sector was not developing fast enough, calling on the EC to harmonise rules between DG ENER and DG ENVI (e.g. Water Framework Directive vs. RES Directive).

**Zervos** came in at the end to say that utilities were turning massively to RES as it is their chance for the future, but to make RES their “hardcore business”, market interconnections must be liberalised to allow the EU electricity market to invest and by doing so, there will be a democratisation of the power market across large and small actors. **Christine** ended by thanking her panelists for providing to the audience an “inside flavour of the variety of brains” and cheered that the event had gone ahead so successfully despite the 80,000 odd demonstrators outside, closing the conference with a broad smile, received by a wave of applause from the enthused crowd.

THE END

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