



NEWS RELEASE

for more information please contact Isabelle Valentiny
T: +32 2 546 19 81 M: +32 474 54 20 25 www.ewea.org



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MARSEILLE
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New power grids essential to achieve EU climate and energy goals

“If the EU is to meet its CO₂ reduction and renewables targets, improve security of supply and create real competition in the European power market, we need to extend our power grids and change the way we operate them,” explained Arthouros Zervos, President of the European Wind Energy Association (EWEA) at the European Wind Energy Conference (EWEC) in Marseille today.

An extended grid with changed operating procedures is necessary to rejuvenate the EU's power system, and will help reduce its operational costs whether more wind is added or not. An upgraded grid would, however, also allow larger amounts of wind onto the system. As such, it would go a long way in helping the EU meet its 2020 targets, reduce CO₂ emissions and ultimately make electricity more affordable for consumers.

“At current fuel prices, electricity production costs from a new wind farm, coal plant and gas station are more or less the same. If a truly interconnected European grid existed and power markets were effective, the uncertainty of volatile carbon and fuel prices would ensure that wind, which avoids these unknown quantities, would become the most cost-effective of the three,” explained Zervos. “We need the power markets to work to ensure that future investors are fully exposed to fuel and carbon price risk.”

Moreover, EU power markets currently remain biased towards traditional fuels because they are dominated by vertically-integrated power companies. The European Commission's third liberalisation package, currently being negotiated by the European Parliament and Council, aims to open markets up more by at least partially separating production and transmission activities. For a truly competitive market, the full ownership unbundling of the vertically-integrated power companies is necessary.

In the new Renewable Energy Directive, electricity from renewable sources has been guaranteed priority dispatch and priority access to the grid. In the absence of full unbundling, priority access and dispatch are both extremely important for the sector. However, there are still issues such as bottlenecks (where parts of the grid are used to their full capacity) which restrict access to cheaper generation resources such as wind power.

Some of the grid-related issues are addressed in a new report from the TradeWind project. Entitled ‘Wind Integration: developing Europe's power market for the large-scale integration of wind power’, the report will be discussed at the TradeWind workshop taking place at EWEC 2009 tomorrow (Thursday 19 March).

For more information on TradeWind and to download the new report, go to www.ewea.org.

Note to editors:

- EWEA is the voice of the wind industry, actively promoting the utilisation of wind power in Europe and worldwide. It now has over 550 members from 50 countries, including manufacturers with a 90% share of the world wind power market, plus component suppliers, research institutes, national wind and renewables associations, developers, electricity providers, finance and insurance companies and consultants. This combined strength makes EWEA the world's largest and most powerful wind energy network.