

**AEE finds unacceptable and discriminatory the suggestion that the wind power sector should compensate backup technologies**

- The increasing wind penetration has not raised backup needs at all
- Wind power is seamlessly integrated into the system and should not be discriminated upon
- A measure like this would infringe European Law, the support policies for renewables, legitimate trust and the principles of legal certainty.

**Madrid, April 29, 2013.** The **Spanish Wind Energy Association (AEE)** considers unacceptable the sole possibility that the Government might be considering that the wind power sector should compensate backup technologies. This proposal, which has been advocated in the past and gained momentum after statements made by the Secretary of State for Energy, Alberto Nadal, at the Industry's Committee in Congress, is not justified from a legal, technical nor economic point of view and would be discriminatory. Also, it would infringe on European Laws, the European support policies for renewable energy and the principles of legitimate trust and legal certainty.

This is so because it has been proved that the increase of wind penetration in the system has not raised the need for backup services (which is understood as the requirement to make conventional technologies available when there is no wind): if there is no wind power being generated, the same steady power provided by the so called backup technologies would be required as this need comes from the demand. Therefore, compensation coming from wind power makes no sense.

Wind power is perfectly integrated into the system and evidence shows that it has been the technology which has contributed most electricity for five consecutive months and it is restricted more often by **Red Electrica of Spain (REE)** to regulate the system

during critical moments by responding in a quick and reliable way. Therefore, it should not be discriminated against in favour of other forms of power generation, as it did with Royal Decree-Law 2/2013 with the elimination of the market plus a premium option.

Capacity payments are the result of regulatory decisions which are not linked to the installation of wind farms nor the establishment of incentives for wind power, so, burdening the sector with extra cost would not be justified. Such action would, once again, go against the principles of legal certainty, legitimate trust and a reasonable return on investment, as well as against the need for an orthodox and transparent regulatory framework.

The wind sector has been severely affected by the measures taken by the Government (moratorium, Royal Decree-Law 2/2013, tax on generation ...), to which the aforementioned production restrictions must be added. Whilst wind farms seek ways to survive and avoid the risk of defaulting, i.e. refinancing, factories are closing down and workers are being laid off.

The Government must understand that the industry is not able to withstand new measures involving greater economic damage because the ones already applied have jeopardized its future. Therefore, **AEE** demands a constructive dialogue.

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