

PRESS RELEASE

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Zero wind power megawatts installed in Spain in the first half of 2015

- The lack of activity in the domestic market endangers both the Government's Energy Plan and compliance with 2020 European objectives
- Spain is the OECD country that has registered a bigger growth in fossil fuel generation in the first four months; the electricity sector CO2 emissions have increased by 116%
- In order to recover investors trust, the announced 500 MW wind energy tender should come with changes of certain aspects of the Energy Reform

Madrid, 27th July 2015. The worst predictions have come true: Spain does not attract investment in new wind power capacity. In the first half of 2015, not a single megawatt has been installed in the country, leaving the total at 22,986 MW. This makes it harder to comply with the draft of the Government's Energy Plan, which expects about 5,000 MW and 7 billion euro investment to meet European targets for 2020, which are binding.

With electricity demand on the rise, the situation is worrisome: without new investments in clean technology, new electricity needs have to be covered with imported fossil fuels. In the first four months of the year, Spain is the OECD country that has registered a bigger increase in its fossil fuel electricity generation, according to the International Energy Agency (IEA). This has led to an increase in imports of 39% in coal and 32.8% in gas for electricity production in the period, according to the Customs database of Spain's Ministry of Economy and Competitiveness. As a result, CO2 emissions in Spain have increased by 116%.

After the summer, the Government will make public the terms of the 500 MW wind power tender intended to promote investment in the sector and return to the path of compliance with European objectives. According to the [Spanish Wind Energy Association](#), restoring investor's trust by correcting key aspects of the Energy Reform, including the possibility to modify economic conditions every six years and with them, the reasonable return, or the impossibility of wind farms to recover some of the deviations between the market price and the Government's predictions, is crucial.

Without these adjustments, it will be very difficult for investors to regain trust in our country and install new wind farms. It is also necessary that the tender takes into account the reality of the sector, includes a fixed yield for the lifetime of the facility, and has clear rules, among other things.

If the domestic market remains paralyzed (in 2014 only 27 MW were installed in Spain), the powerful Spanish wind energy industry will eventually leave the country. Export activity continues to rise (Spanish wind energy sector's exports accounted for 418 million euro in the first quarter, representing an increase of 15.7% over the same period last year, according to the Ministry of Economy), but measures are needed to boost the domestic market and export capacity and increase the international presence of companies, as well as instruments that promote R&D and encourage industrial development. If no action is taken to encourage the renewal of the 20,266 wind turbines installed in Spain, in 2020 50% will be more than fifteen years old and 20%, more than twenty years, which will mean a reduction of generated megawatts that will push the country further away from European objectives.

For further information:

+34 91 745 12 76

comunicacion@aeolica.org

www.aeolica.org



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