

PRESS RELEASE

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It is necessary to restore confidence before any new investments in wind energy are made in Spain, according to the Spanish Wind Energy Association

- AEE calls to eliminate certain aspects of the Spanish Energy Reform such as the possibility to modify economic conditions every six years, a Plan for Renewable Energies beyond 2020 and a State Pact to give stability to the sector
- Spanish companies own 10.5% of installed wind power capacity worldwide and Spanish factories have produced 12% of the wind turbines and wind components
- Commissioner Miguel Arias Cañete: "I am aware that the sector has been through difficult times, but I have confidence that Brussels and member states' efforts will attract investment again"
- Director General Teresa Baquedano: The Government's challenge is to facilitate an orderly growth of the wind energy sector, "which is exemplary"

Madrid, 22nd June, 2015. It is necessary to restore confidence before any new investments in wind energy are made in Spain, according to the Spanish Wind Energy Association (AEE). "If we are to meet the Energy Planning announced just a few weeks ago, it will be necessary to install 5,000 MW in Spain by 2020, which will involve a 7 billion euros investment. And for this we need financing. And for this it is necessary to restore confidence", said AEE's chairman José López-Tafall during the opening session of the 1st Spanish Wind Power Congress.

López-Tafall, who was accompanied by the European Commissioner for Energy and Climate Action, Miguel Arias Cañete, and the Director General for Energy Policy and Mines at the Ministry of Industry, Energy and Tourism, Teresa Baquedano, listed the sector's requests. Regarding the restoration of legal certainty, he pointed out that "it necessarily implies the correction of fundamental aspects of the resulting model from the Energy Reform, such as the possibility of changing the economic conditions every

six years." He also stressed the importance of having a Renewable Energy Plan beyond 2020, with clear objectives and benchmarks for the development of wind energy; and measures to "stimulate the domestic market and export capacity and increase the international presence of companies for our strong industry not to leave Spain." "And, why not? We would also like a great Pact of State for Energy that would ensure regulatory stability", he added.

"In return, we have much to offer. If they let us do what we have done so well over the last 20 years and in 2020 we approach 30,000 MW, Spain would have not only reduced energy dependency, but also added 10,000 skilled jobs or reduced 6 million tonnes of CO2 emissions", said López-Tafall.

AEE's chairman emphasized the muscle of the Spanish wind energy sector in the world: Spanish companies own 10.5% of the installed wind power on the planet, a total of 40,000 MW. Spanish factories have produced 12% of the wind turbines and components worldwide. Thanks to Spanish wind energy technology, 71.5 million tonnes of CO2 were avoided last year. And wind power companies employ about 90,000 people worldwide.

According to López-Tafall, all this represents a huge opportunity that our neighboring countries are already seizing. "Spain has already done its homework and is on wind power's cutting edge".

About the problems the sector faces as a result of the Energy Reform, he said that "last year has been probably the most difficult in the industry's history, particularly for the 300 wind farms, 30% of the total, without regulated remuneration, some ten years earlier than the government had promised them. With them at the helm, the managers of all companies have found the need to refinance loans due to retroactive change in the rules; they have had serious liquidity problems by having to return retroactively the provisionally levied incentives; they found great difficulty in understanding and applying a new and extremely complicated system; and many have had to hire cohorts of lawyers to defend their interests. Developers' revenues fell by 30% in the first year of implementation of the new regulation, and support to the sector, by 40%. And manufacturers are thinking about leaving Spain due to the standstill of the domestic market, with only 27 MW installed in 2014", he said.

He also referred to the new measures recently announced by the Government: "Spain has already taken the first steps towards a still uncertain future, such as the announcement of the first call for tenders or the Energy Planning towards 2020. Both

measures recognize the importance of wind energy, which is key to meet European commitments for 2020". López-Tafall concluded by saying that "the important thing now is to restore dialogue and work and for the future".

In the opening speech, Miguel Arias Cañete stressed that one of European Commission's priorities is Europe's leadership in renewables. He referred to both the targets for energy from renewable sources by 2020 and those of 2030 and stated that "we must redouble our efforts" to achieve them. In order to do so, the Commission will take action and "member states will have to coordinate their policies on renewables with neighboring states". In July a consultation on the new design of the electricity market where renewables will have to be fully integrated will be launched.

Regarding Spain, the Commissioner said that "I am aware that the sector has gone through difficult times. But I am confident that the initiatives in Brussels and member states will attract investment to the sector again".

Teresa Baquedano said that "wind energy is an example to be followed by other sectors". "The challenge for the Government is to facilitate orderly growth of the sector and strengthen it as a vehicle for job creation and sustainability". In this regard, she listed some of the activities in which the Government works, such as the development of wind energy in the Canary Islands, the next call auction of wind power with incentive –which will take place between June and September–, or the possibility to open the services market adjustment to renewables.



From left to right: Miguel Arias Cañete, Commissioner for Energy and Climate Action of the European Commission; José López-Tafall, chairman of AEE; and Teresa Baquedano, Director General of Energy Policy and Mines at the Ministry of Industry, Energy and Tourism.

More information:

Phone: +34 91 745 12 76

comunicacion@aeolica.org

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