



European Commission - Speech
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Press remarks by Executive Vice-President Frans Timmermans and Commissioner Kadri Simson on the EU Offshore Renewable Strategy

Brussels, 19 November 2020

*Executive Vice-President **Timmermans**, in charge of the European Green Deal:*

Good morning to everyone,

It was only 30 years ago that the first offshore wind farm was installed off the coast of Denmark – Vindeby I think it was called.

Most people believed at the time that it would remain sort of a demonstration project, but since then offshore wind has developed into a story of **undisputed European technological and industrial leadership**.

The offshore renewable energy sector is now outperforming the conventional energy sector in terms of value added and employment growth.

This Offshore Renewable Energy Strategy will support the further growth of this industry, and will spur further progress towards meeting our ambitious climate targets for 2030 and beyond.

We aim to **ramp up Europe's offshore wind capacity to 300 gigawatts** by 2050 and reach **40 gigawatts of capacity for other forms of ocean energy**, like tidal or floating solar.

This represents a **significant change of pace from our current path**, and we will have to overcome a number of obstacles.

The Strategy aims to answer several big questions:

- Can we achieve an almost thirty-fold increase in the capacity of offshore energy in maritime waters that are already home to multiple activities?
- Do we have enough space to install so much energy capacity in waters that we committed to protect?
- Can we bring Member States together to build and benefit from these projects in shared waters and hopefully shared grids?

The answer to all these three questions is yes.

It will require careful planning, good cooperation, ample funding, but it is possible.

We estimate that reaching 300 gigawatts of offshore wind by 2050 will require less than 3% of the EU's maritime space.

The development of offshore renewable energy is subject to EU environmental legislation and our integrated maritime policy. So this expansion can be **compatible with the goals of our Biodiversity Strategy**.

And as such, the strategy would deliver a win-win for the environment and the economy. We green our energy supply, support European industry and create jobs, protect biodiversity, reduce pollution, and ensure a healthy basis for thriving fishing communities.

We are aiming high, because there is both **a clear urgency and a great potential** to expanding our offshore renewable energy capacity.

It is crucial to set our strategic framework now. There are long lead times for the investment and research efforts that are required to deliver the renewable production capacity we need. We calculate that by 2050, we will need an **investment of almost 800 billion** euros.

To provide the right investment signals for private capital, we will need a well-regulated energy market in the EU. In addition, we will need to make **targeted use of EU support** to unlock the necessary private financial flows.

In this context, I want to specifically highlight the opportunity for Member States to use funds from **Next Generation EU to invest in offshore renewable energy** and of course, all the infrastructure that comes with it. To secure this funding, it is crucial that Member States work to develop a pipeline of mature projects, in close cooperation with companies ready to invest – and there are many of them.

Our aims are ambitious, but with our vast sea basins and our global industrial leadership, the **EU has all that it needs to meet the challenge**.

More than 90% of offshore wind capacity in Europe has been produced by EU companies. And over 40% of the world's existing offshore wind capacity is in EU waters.

Europe's offshore wind industry therefore has **an important first-mover advantage and a very strong home market**.

But our strategy is not just a strategy for offshore wind. It is a strategy for all technologies. Europe is the **global leader for developing ocean energy technologies**, and EU companies hold 66% of the world's patents in tidal energy and 44% of patents in wave energy technology.

Offshore renewable energy is therefore a **true European success story**. Over the next years, we will aim to turn it into an even greater opportunity for clean energy, high quality jobs, international competitiveness, and sustainable growth.

Over to you Kadri.

*Commissioner **Simson** in charge of Energy:*

Thank you, Frans.

This has been the year of **laying the groundwork for delivering the Green Deal**. When it comes to the energy sector, we have already put in place three cornerstones – the energy system integration strategy, hydrogen strategy and the renovation wave. Today, we lay the forth with **offshore renewable energy strategy**. On this, we can build a strong, durable foundation for the climate-neutral energy system of the future.

Currently, about one fifth of the EU's energy comes from renewable sources. **By 2050, renewable energy must power most of our climate-neutral economy**. We will need massive amounts of green electricity to replace coal, lignite and gas. Many countries are already phasing these out or will in the future.

Offshore energy, and wind in particular, can give us the push we need towards our targets fast and at scale. In this strategy, we have set our sights on **300 GW of offshore wind and 40 GW of ocean energies** across the EU sea basins by 2050. Already by 2030, we want to increase offshore wind capacity at least five times to 60GW and produce at least 1GW of ocean energy.

We are well positioned to get there: the **EU is the global technological leader** both in offshore wind and ocean energies. In 2018, our share of global offshore turbine exports was 47%, and eight out of the top ten global exporters were EU countries. All the world's ocean energy projects currently use EU technologies.

We know from experience that **with the right policy support, technologies can develop quickly and costs can come down fast**. In fact, there has been no other energy technology that has gone from an idea to maturity as rapidly as offshore wind. The fact that some new installations are now cheaper than fossil fuel-based energy generation is very telling.

But scaling up so quickly and massively will not happen by itself. We don't just need to build more, bigger wind turbines or new tidal power plants: **larger volumes will change our energy sector in fundamental ways**. And while a green, integrated energy system needs more renewable energy, renewable energy also requires an integrated energy system in turn. Their success is dependent on one another.

First, we need to plan. To install 300-plus-40 GW of offshore renewable energy will mean many more sites for production and connections to the power grid. But, while it is still only 3% of EU's maritime space, we need to make sure that we are not planning in isolation. Our **energy needs can and should be aligned with our environmental principles** and everything else that takes place in the sea – fishing, shipping, tourism, defence.

This is why the Member States need to include their offshore renewable energy development objectives in their **national maritime spatial plans** to be submitted by March 2021.

Moving away from planning in isolation also means increased cooperation between countries and planning based on sea basins, not individual Member States. **Close regional cooperation is absolutely necessary** for scaling up the offshore energy generation in an efficient, cost-effective and sustainable way.

Second, we need to connect. Generating energy is not enough, this **energy needs to be delivered to the consumers on land**. Without the appropriate offshore electricity grid to bring power efficiently onshore, our plans for renewable offshore energy will stall.

We are currently working on the **revision of the TEN-E Regulation**, to be delivered later this year. With TEN-E, we will propose **a new framework for offshore grid infrastructure development**, a system where Member States could agree on regional long-term commitments for offshore energy generation and a joint vision for grid planning.

Third, we need suitable, forward-looking market rules. The current rules were conceived for traditional onshore projects. To reach our targets, we need a framework better adapted to the needs of offshore installations, as well as the future energy islands and hybrid projects that are connected to several Member States.

To provide clarity and long-term legal certainty, today we published the **market guidance for hybrid projects** and to facilitate them, we are proposing to create offshore bidding zones. This ensures that offshore power can flow to the market where it is needed, supporting regional security of supply.

We plan to target amendments to the current rules in the area of **congestion income** to incentivise the development of integrated, hybrid projects. We will also amend the **connection codes** to adapt to the new offshore developments.

In addition, by the end of 2021, the Commission will revise the **Guidelines on State aid for energy and environmental protection** and ensure that they support the goals of this strategy.

Finally, I want to underline that **this is a strategy that benefits Europe as a whole**. All five of our sea basins - the North Sea, the Baltic Sea, the Mediterranean, the Black Sea and the Atlantic - have significant offshore renewable potential, be it wind, wave or tidal.

The **industry supporting offshore renewable energy is pan-European** and even countries without direct access to the sea are part of the growing value chain. For example, wind turbine components are manufactured in Czechia, Austria and inland regions in Spain, France, Germany and Poland.

The sector includes hundreds of operators, many of which are SMEs that supply components. Already today, the offshore wind industry employs 62 000 people and ocean energy about 2500. There is **potential for much more**, which is of course especially relevant as we recover from the global pandemic and look for a greater number of sustainable jobs.

The development of the offshore renewable energy industry offers **new opportunities for regions that are most affected by the transition to a climate neutral economy**. We can already see this happening in some Member States and the EU can support this process through the Just Transition Mechanism and Fund.

As Frans said: offshore energy is a **true European success story. It's also an all-European success story**. With this strategy, we intend to add another chapter to this tale, and make the EU the global powerhouse of offshore renewable energy.

Thank you.

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