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THE EUROPEAN WIND ENERGY ASSOCIATION



EU Budget: Financing Wind Energy

Vilma Radvilaitė

*Regulatory Affairs Advisor – EU Budget & Research
European Wind Energy Association*

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EU BUDGET & WIND ENERGY RESEARCH

- **GOAL** – to ensure that wind energy R&D gets sufficient financing from the EU budget.
- **BACKGROUND** – European Wind Initiative (2010-2020)
- **OBJECT** – EU Budget (Annual & Multiannual)
 - FP7 – 7th Framework programme for research and technological dev.
 - CIP – Competitiveness and Innovation framework programme.
 - NER300 – New entrance reserve mechanism.
 - TEN-E – Trans European Energy Networks,
 - EERP – Energy Projects to Aid Economic Recovery.
 - Structural/Cohesion funds
- **TARGET** – MEPs, Policy Advisors, Assistants, Commission Officials, Council representatives.

EU PUBLIC FUNDING MECHANISMS FOR WIND ENERGY

- The 7th Framework Programme for R&D actions (FP7)
- The European Economic Recovery Plan (EERP)
- Structural and Cohesion funds
- European Investment Bank

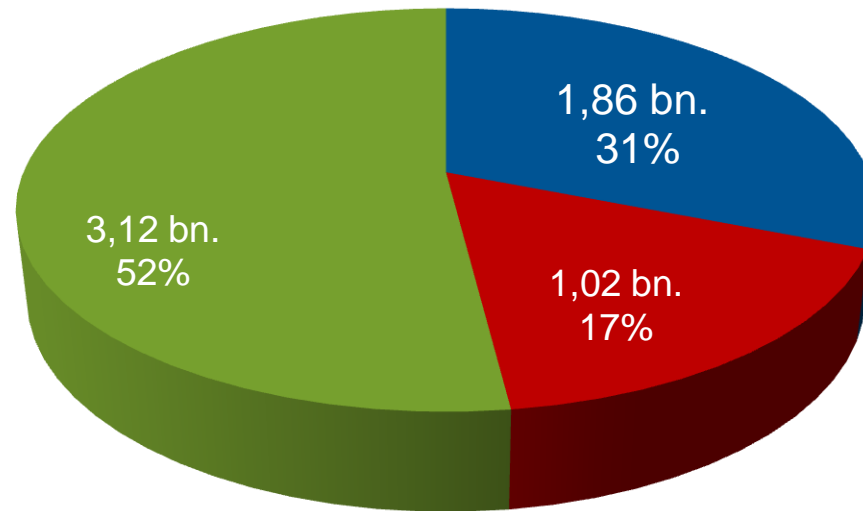


European Wind Industrial Initiative (EWI)

- SET Plan (Strategic energy technology plan)
- Launched on the 3rd of June, 2010 in Madrid
- 10 year R&D plan for wind energy technology:
 - (1) new turbines and components
 - (2) offshore technology
 - (3) grid integration
 - (4) resource assessment and spatial planning
- Overall Budget – EUR 6 billion



EWI budget distribution, EUR (2010-2020)



- EU funds contributing to implementation plan activities
- National schemes including EERA contributing to implementation plan activities
- Private contribution to implementation

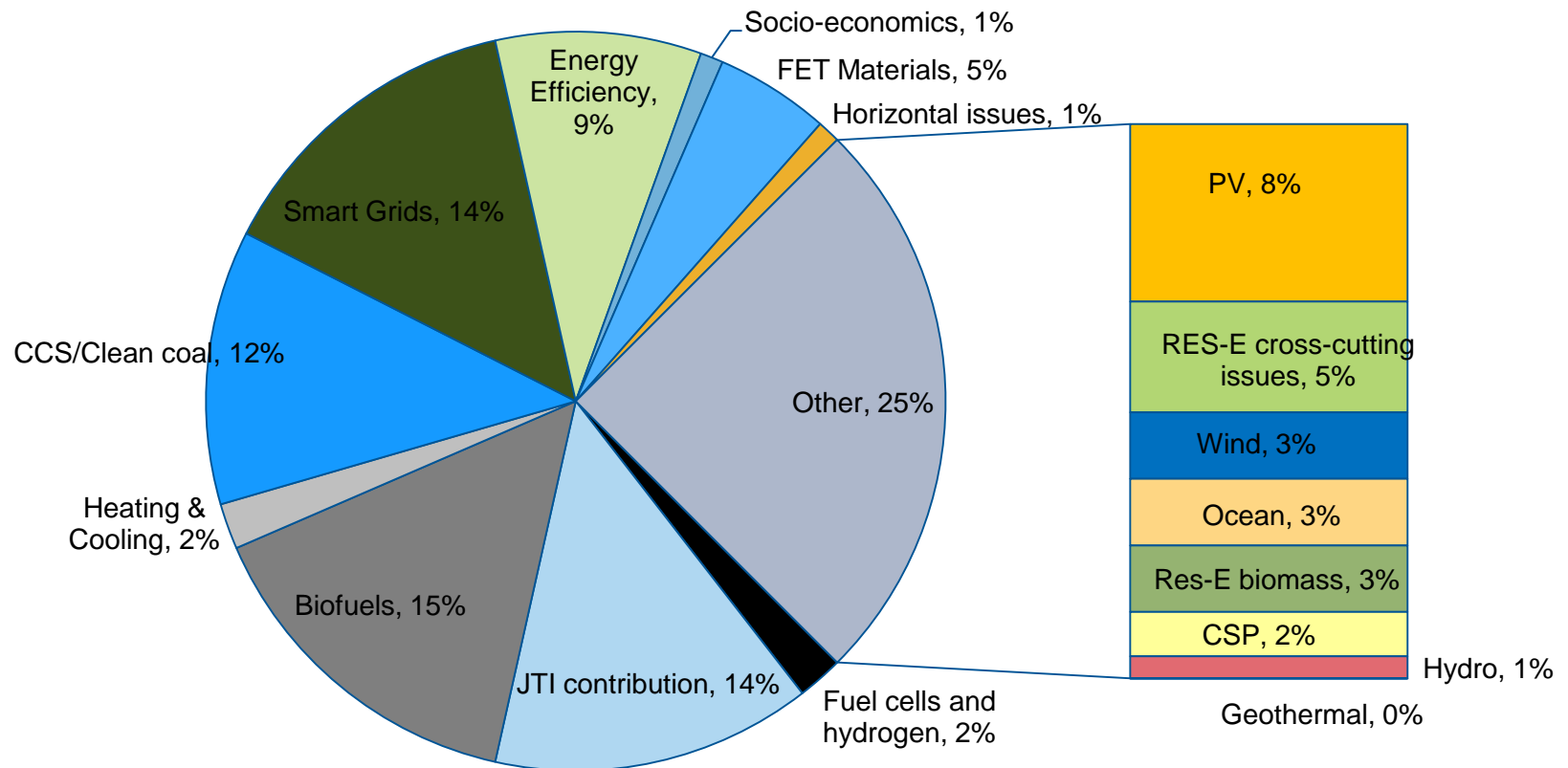


7th Framework Programme for RTD (2007-2013)

- Decision No 1982/2006/EC - EUR 50,5 billion
 - Cooperation **EUR 32,4 billion (64.2%)**
 - Ideas EUR 7,5 billion (14.8%)
 - People EUR 4,75 billion (9.4%)
 - Capacities EUR 4,1 billion (8.1%)
 - Non-nuclear actions of the JRC EUR 1,75 billion (3.5%)
- FP7 Euratom (2007-2011) – EUR 2,75 billion
- FP7 Euratom (2012-2013) – EUR 2,56 billion*

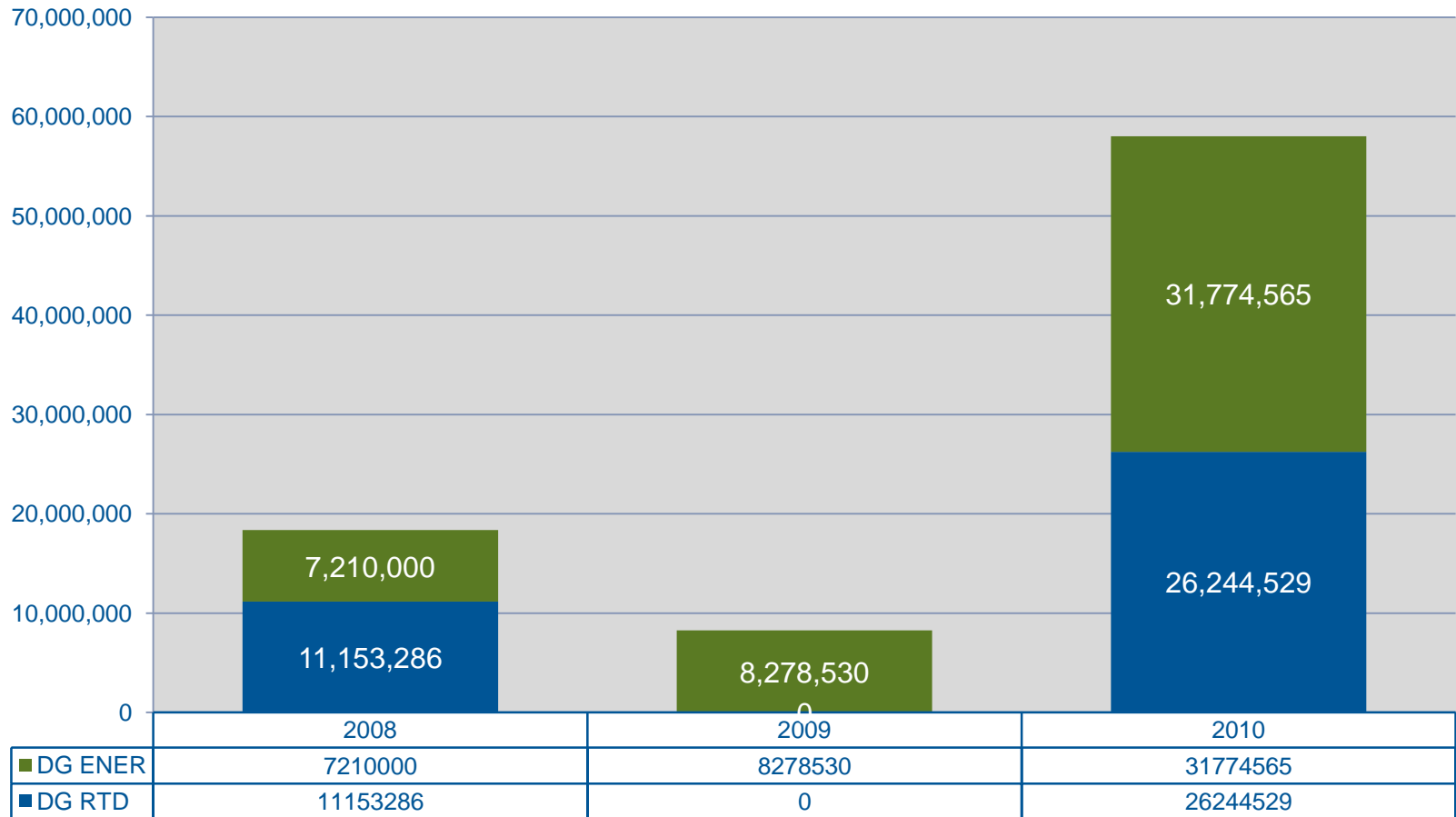
FP7 – Cooperation objective breakdown	Funds, billion euro	Share, %
Information and Communication Technologies	9,05	27.92
Health	6,1	18.82
Transport (including Aeronautics)	4,16	12.83
Nano-sciences, Nano-technologies, Materials and new Production Technologies	3,5	10.72
Energy	2,350	7.25
Food, Agriculture and Fisheries, and Biotechnology	1,935	5.97
Environment (including Climate Change)	1,9	5.83
Space	1,4	4.41
Security	1,4	4.32
Socio-economic Sciences and the Humanities	0,623	1.92
Total	32,4	100.00

FP7 contribution to energy technology areas (2007-2010)



FP7 contribution to Wind Energy – €85 million

Value of the wind projects signed under FP7, 2008-2010



European Energy Programme For Recovery (EEPR), 2009

- Offshore Wind Energy – EUR 0.565 billion (9 projects/29)
- Carbon Capture and Storage – EUR 1 billion
- Electricity Infrastructure – EUR 0.904 billion
- Gas Infrastructure – EUR 1.363 billion
- New financial facility for energy efficiency and renewable energy sources – EUR 146 million (launched in 2011)

COHESION POLICY 2007-2013

- Total Cohesion budget: EUR 347 billion
- European Regional Development Fund (ERDF) and Cohesion fund (European Social fund).
- Responsible: DG REGIO and DG EMPL
- **Convergence objective:** regions with GDP per capita under 75% of the EU average (81,5% of the funds).
- **Regional competitiveness and employment objective.**

Functioning of Cohesion Policy (I)

- European Commission & Member States negotiated and agreed National Strategic Reference Framework (NSRF) and Operational Programmes (OPs) at national and/or regional level for 2007-2013.
- Member States alone select and implement the projects in line with priorities of the OPs.
- Major Projects: Investments of more than € 50 million are submitted to and approved by the Commission.

Functioning of Cohesion Policy (II)

- Co-financing rate:
 - Up to 50% competitiveness regions
 - Up to 75/85% convergence regions
- EU funds always completed by national, regional, EIB funds.
- Programmes managed by **Managing Authorities** (MAs) at national/regional level. Often national or regional Ministry for finance/economy/regional development.

Cohesion Policy allocations for energy

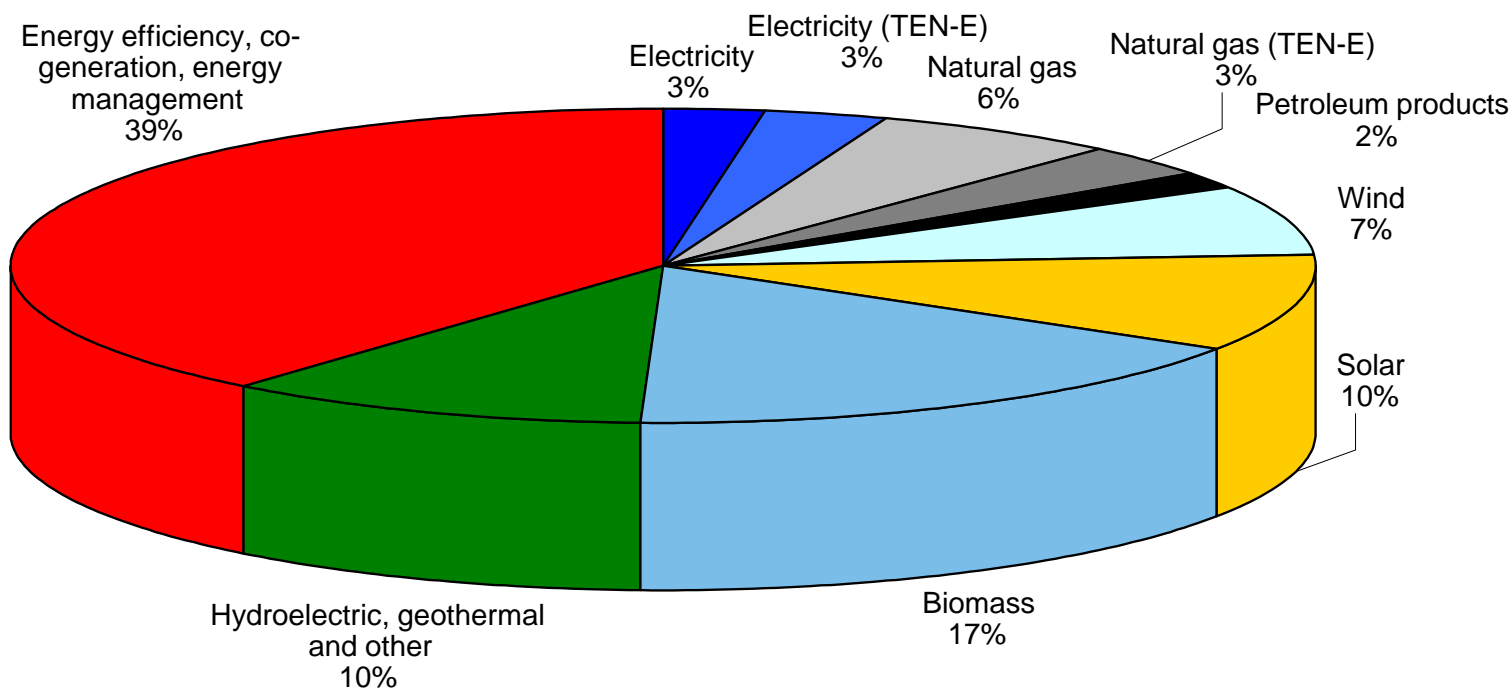


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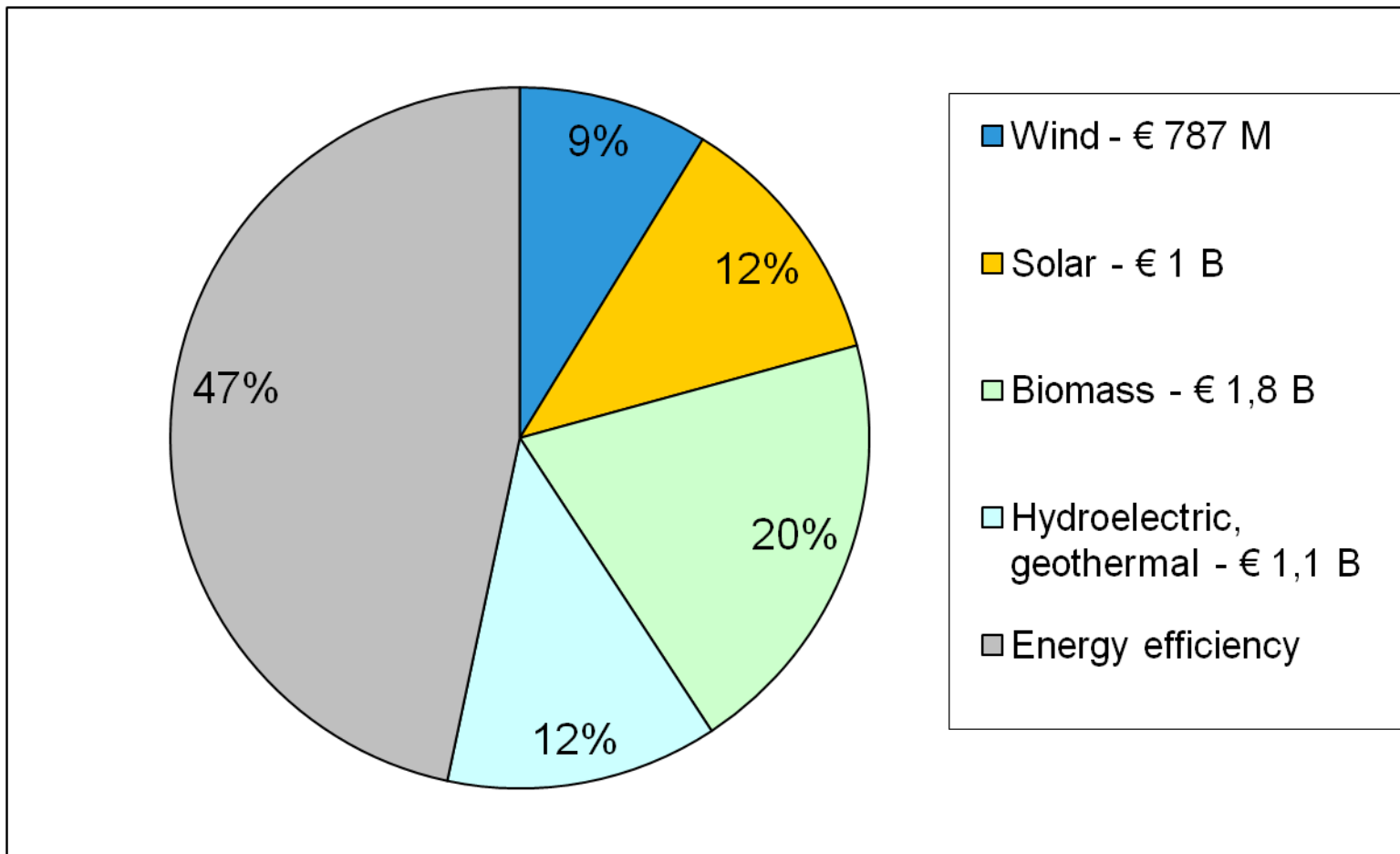
2007-2013 total = € 11 billion (3 % of the total)

€ 9.2 billion EE & RES

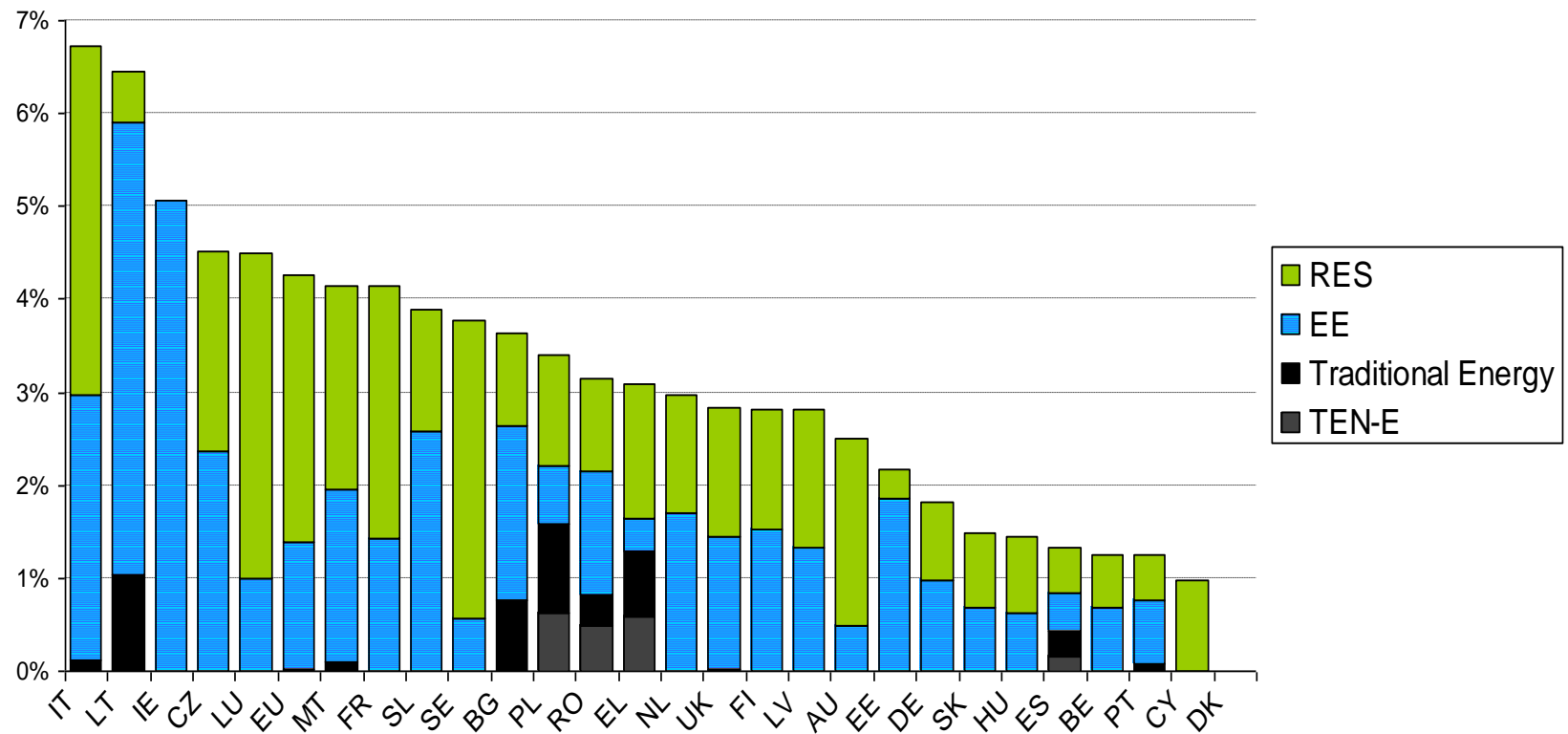
€ 1.8 billion traditional energies & interconnectors.



Cohesion Policy & green energy 2007-2013



Allocations to Energy Sector as % of total allocations per Member State, 2007-2013

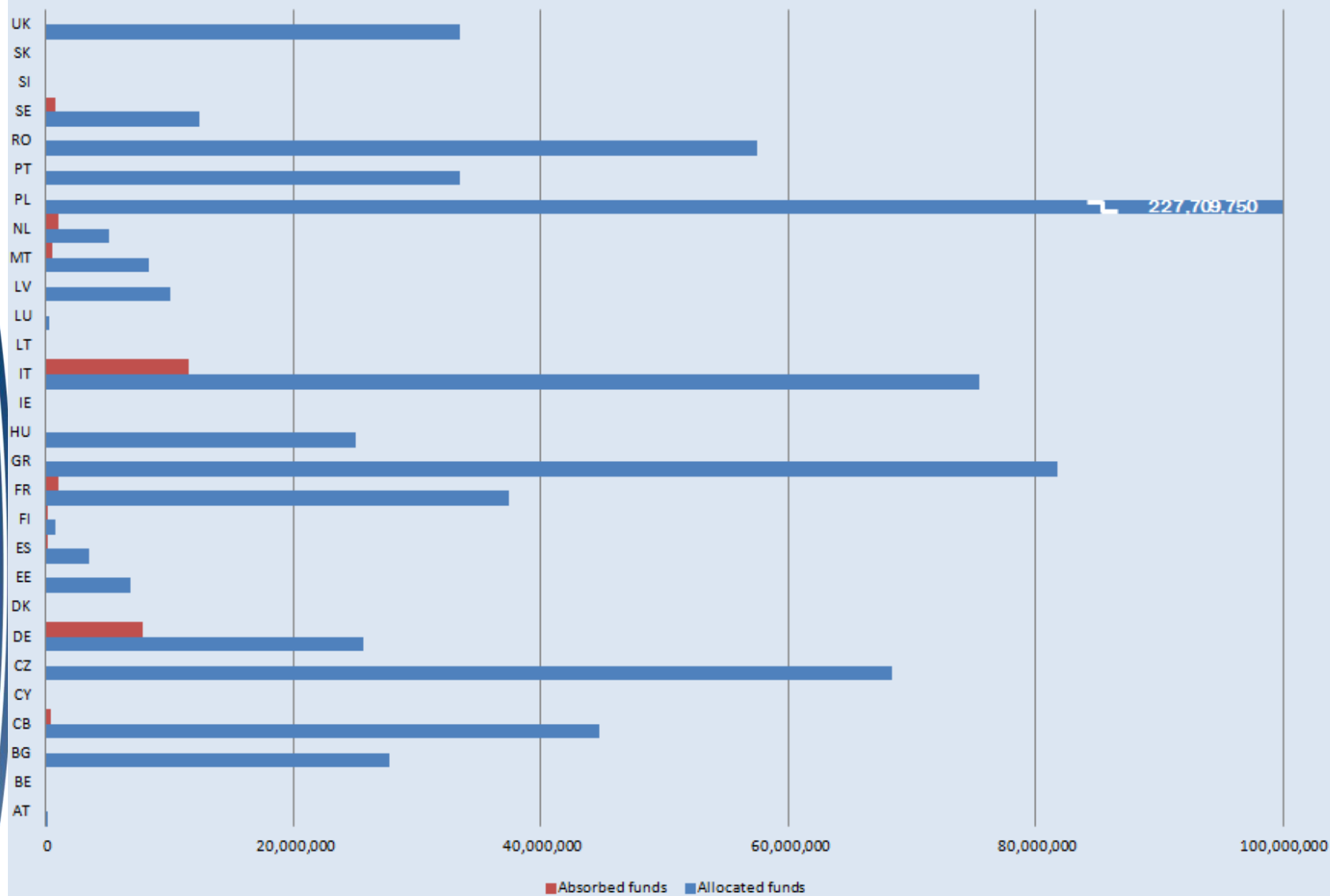




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Allocated and absorbed funds for wind under the Cohesion Policy



Cohesion funds and Member States

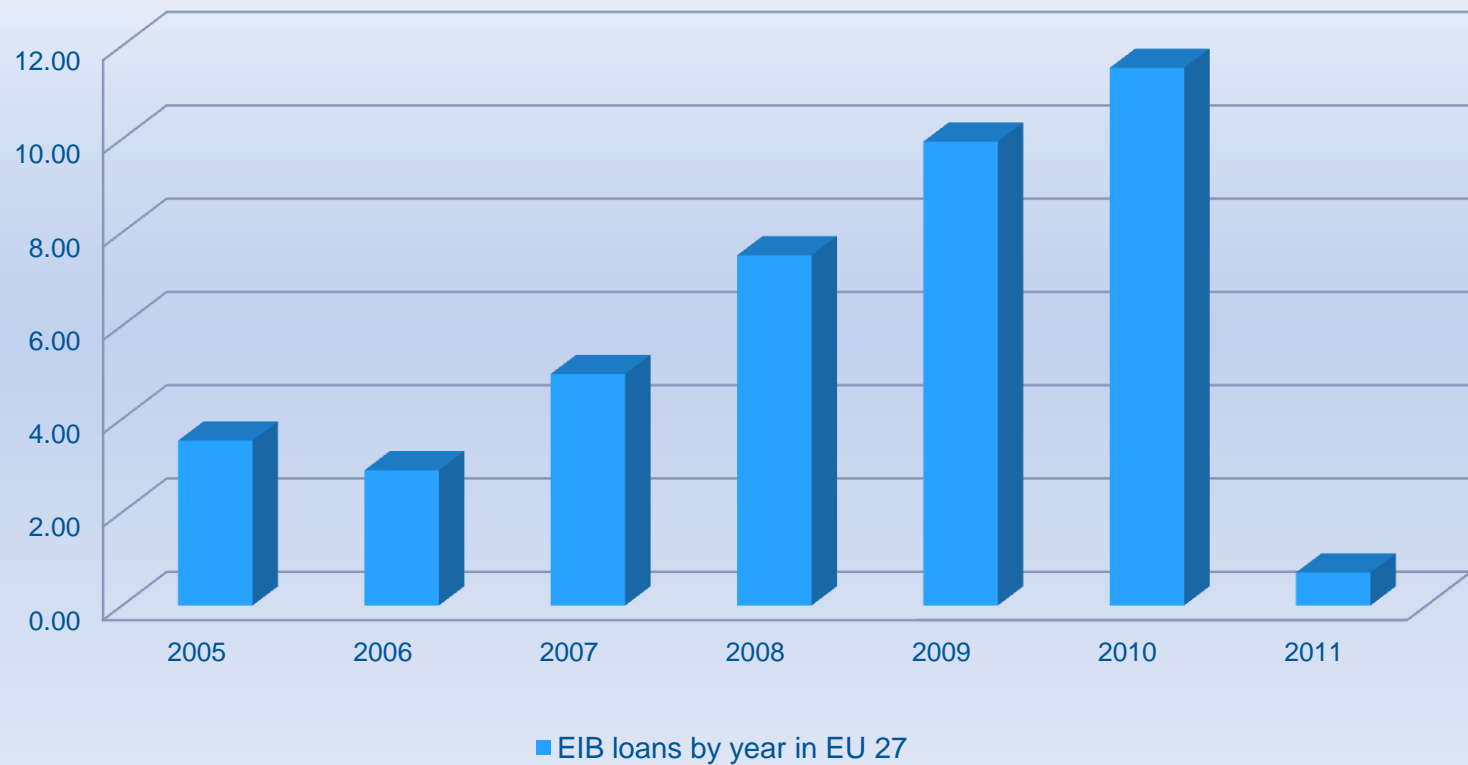
- **Italy**, allocated €75.4 million and spent €11.5 million (15%)
- **Germany**, allocated €25.6 million and spent €7.8 million (31%)
- **France**, allocated €37 million and spent €1 million (3%)
- **Netherlands**, allocated €5 million and spent €1 million (15%)
- **Sweden**, allocated €12.3 million and spent €0.7 million (6%)
- **Malta**, allocated €8 million and spent €0.5 million (6%)

- The total amount allocated to wind in **Poland, Greece, Czech Republic and Romania** - €435 million, the 55% of the total, but none of this money was spent!

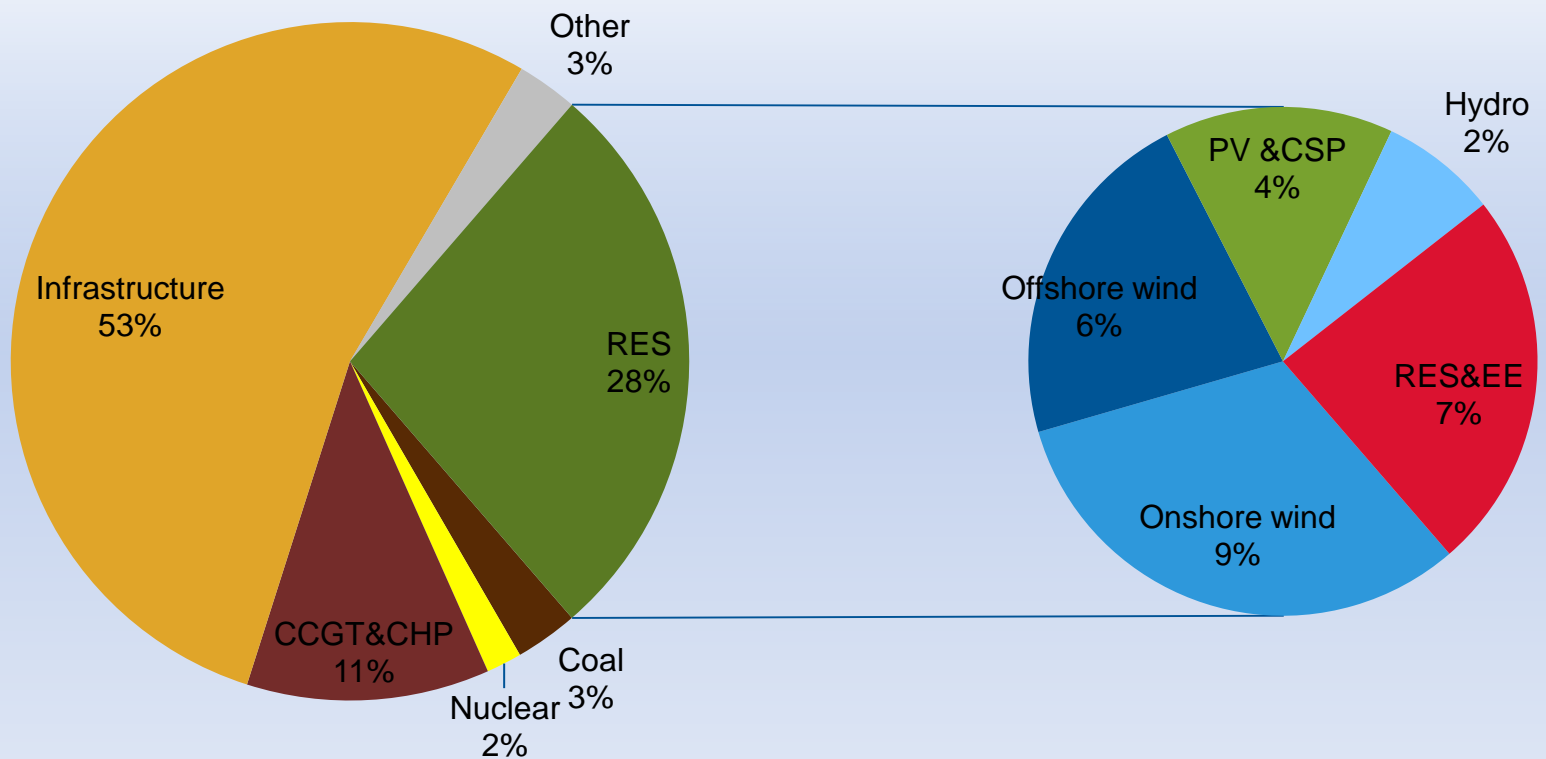
THE EUROPEAN INVESTMENT BANK

- **Possible EIB instruments:**
 - Risk Sharing Finance Facility (RSFF) – soft loans for R&D projects,
 - Marguerite Fund - equity investments in renewable energy and grid projects,
 - European Local Energy Assistance facility (ELENA),
 - Kolzoduy International Decommissioning Support Fund - Energy Efficiency Facility (for wind energy projects in Bulgaria);
- Global Energy Efficiency and Renewable Energy Fund (GEEREF).

EIB loans for energy projects, EUR billion (2005-2011)



EIB loans by type of technology, 2005-2011*



EIB loans for wind energy = EUR 6 billion (2005-2010)

- **Onshore Wind projects – EUR 3,6 billion**
UK (26%),
ES and PT (45%),
RO, IRL, PL, CY
- **Offshore Wind projects – EUR 2,5 billion**
UK (almost 50%),
BE (30%),
DE, DK.

MFF 2014-2020 proposal

- **€1.025 billion** inside the MFF and **€53,316 billion** outside the MFF (including funds for ITER, Solidarity Fund, European Development Fund, etc.). (+10%)
- Key features for wind are:
 - 1) ~40% increase of funds for R&D (within Horizon 2020)
 - 2) Proposed doubling of funds for renewable energy and energy efficiency under the ‘Cohesion funds’.
 - 3) Increase of energy infrastructure budget from €163 million to €9.1 billion (under the new proposed ‘Connecting Europe Facility’).

EU Multiannual Financial Framework 2014-2020

- June 29, 2011 – Commission proposal – regulation on MFF (headings)
- October, 2011 – legal proposal Infrastructure package
- November, 2011 – Common Strategic Framework for R&D - Horizon 2020
- End of the year – legal proposal for Structural and Cohesion funds.
- By end of 2012 – decision on regulation on MFF (Council + Members States, EP – Consent)
- By end of 2013 – decisions on legal proposals (co-decision procedure)

THANK YOU !

Vilma Radvilaitė

EU Budget & Research Advisor

EWEA - European Wind Energy Association

Rue d'Arlon 80 | B-1040 Brussels

Tel: +32 2 213 18 45 | Fax: +32 2 213 18 90

Email: Vilma.Radvilaite@ewea.org | Web: <http://www.ewea.org>