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Ladies and Gentlemen,

Thank you very much for the invitation to this conference. I would also like to thank you on behalf of Federal Environment Minister Norbert Röttgen, who unfortunately could not be here today.

The HELIOS project focuses on the opportunities offered by the expansion of renewable energies in Greece. And these opportunities are good.

In Germany we have learnt that renewable energies are one of the most important keys to climate protection. Above all, renewable energies create crucial impetus for modernisation, innovation, economic growth and new jobs on the markets of the future.

Greece has outstanding potential in the renewables' sector. On average, solar radiation is 40 percent higher than in Germany.

In the field of solar heat, Greece already had the highest installation rates per inhabitant in Europe many years ago. The Greek National Action Plan is a further, important step for tapping this potential. A total of 2,200 megawatts of installed photovoltaic capacity is being aimed for by 2020.

Nevertheless, existing and usable potential also offers much greater opportunities.

In Greece you have enormous solar potential. Your feed-in tariffs of 35 to 55 cents per kilowatt-hour are among the highest in Europe.

In comparison, the tariffs in Germany now lie between 17 and 24 cents per kilowatt-hour. From 1 April 2012 they will be significantly reduced once again.

Despite these low tariffs and lower solar radiation we installed 7,500 megawatts of new photovoltaic systems in 2011 alone. Total installed capacity in Germany at the end of 2011 was around 25 gigawatts.

How were we able to achieve such high expansion?

- It is not the tariff rate alone. After all, in Greece it is twice as high.
- It is not solar potential alone, because that is 40 percent higher in Greece.

Ultimately it is the entire investment framework that defines both success and costs.

- Priority grid feed-in
- Reliability of tariffs
- Duration of licensing procedures
- Speed of grid connection
- Access to private investment capital

These are just some of the elements that are decisive for risk assessment by banks and hence for costs.

Above all, it is also a question of

- acceptance and support for the technologies among the population
- and willingness to make investments.

In Germany we were able to profit from reliable and long-term political framework conditions.

Since the introduction of the Renewable Energy Sources Act twelve years ago, the share of renewables in electricity supply has increased from 6.4 percent to over 20 percent today. By 2020 we are aiming for at least 35 percent, in other words around 200 terawatt-hours. These are figures that nobody would have believed possible not long ago.

The economic advantages linked to the expansion of renewables are impressive:

- The renewables' sector in Germany already employs around 370,000 people.

- In 2011, investments in the construction of renewable energy installations totalled around 23 billion euros. Operation of these installations generated economic impetus of around 13 billion euros.
- Renewable energies also make us less dependent on energy imports. Last year we saved almost seven billion euros in fossil fuel imports through the use of renewables.
- And, through the so-called merit-order effect, renewables also ensure that electricity market prices fall and that procurement costs for electricity suppliers are reduced.

### Can Greece achieve comparable results?

Yes. Electricity for many islands, for example Crete with its 600,000 inhabitants, is primarily generated from diesel and oil with electricity production costs of 20 to 40 cents per kilowatt-hour.

Renewables can compete with this. Cost reductions in recent years make it possible.

Every kilowatt-hour of electricity generated by the sun, wind and water can save Greece money.

Money that can be invested in modernising the country rather than in conserving outdated structures.

Of course, the road to this success in Germany has not always been easy.

We have had to pay considerable tolls to take this road. Financing the feed-in tariffs initially cost consumers many billions of euros. But this investment will pay off in future, and is already demonstrating economic advantages today.

Over the years we have made huge technological progress. We can share this with others, and Greece can benefit from this.

What specific role can HELIOS play?

In the light of the euro crisis the HELIOS project is a major focus of political interest. We should make the most of this.

HELIOS can be a trigger, a catalyst for the expansion of renewable energies in Greece.

But one large-scale project alone will just be a flash in the pan if it is not linked to a fundamental improvement in the framework conditions for all renewables.

This is why we should focus on a viable overall concept, ideally based on two pillars:

1. Improving framework conditions for all renewable energy sources in the entire country
2. Developing a viable concept for solar power exports, open to all interested EU member states.

We can develop and implement both approaches at the same time in a step-by-step process. Together with experts from Greece, the Commission, Germany and other interested countries.

What specific role can Germany play in HELIOS?

As I have said, Germany has a wealth of experience in the expansion of renewable energies, especially in the field of solar power.

Few other areas have engaged my time as state secretary more intensively than solar power.

No sector has such outstanding growth rates as photovoltaics. In 2009, when I took office as state secretary, photovoltaics had around a 1 percent share of Germany's total energy consumption. Now, in 2012, we will achieve a share of 4 percent – a fourfold increase in three years.

No sector has presented companies and policymakers with such a range of new challenges arising from the rapid market and cost developments.

In recent years we have often had to be flexible in responding to the massive reduction in costs. We have had to cut support in response to the falling cost of photovoltaic systems. Since 2008 the support rate for photovoltaics has been halved.

We would be pleased to share our experience with the HELIOS project.

What is the status with regard to exporting solar power from Greece?



Firstly, it is vital to develop a comparative cost advantage for Greece over other EU member states.

At the moment, this advantage does not exist. Many problems, such as grid connection, grid access and licensing procedures are hindering a cost-effective expansion.

Secondly, we should use the structural funds for Greece to facilitate financing. Currently, much of the funding available for Greece is not being used due to a lack of quality projects. I can only encourage my Greek colleagues to focus on renewable energies and energy infrastructure.

Thirdly, any remaining gap in financing should be filled via the cooperation mechanisms by the member states that want to import Greek solar power.

This is why it is important that the implementation concept is designed to be open to all interested member states.

We will consider to what extent Germany can contribute to the financing. This will, as I have said, also depend on the actual implementation concept and on the costs.

However, I would ask you to understand that extending Germany's support legislation for renewables to include imported solar power is not an option.

This is a frequent request; its advocates say that it would be better for Germany to import solar electricity than to support its costly generation at home.

They compare promoting photovoltaics in Germany to growing pineapples in Alaska. This is an amusing image, but not an accurate one. In contrast to pineapples in Alaska, photovoltaics in Germany is not impossible. It is just as feasible as providing ice-creams on a hot Mediterranean beach.

In Germany we have made a fundamental decision to cover 80 percent of our electricity from renewables by 2050. We cannot achieve this through imports alone. That approach would place too great a strain on grid expansion; but for reasons of supply security too, it would simply not be possible.

We need solar power generated in Germany as a component of our future energy supply.

Today, renewable energies already provide 20 percent of our electricity demand and are our second most important source of energy – ahead of both coal and nuclear power.

During the cold February at the beginning of this year there were several days when solar energy also helped secure our energy supply.

For this reason, we cannot consider imports of electricity from renewables as anything more than a useful supplement to the expansion of our own renewable potential.

In the longer term, importing some solar power may certainly become an option for Germany.

At present, however, we have little need to import renewable electricity.

We are currently once again lowering our photovoltaic tariffs very significantly. Free-standing installations of more than 10 megawatts will no longer receive any support at all, and free-standing installations of under 10 megawatts will only be eligible for support of 13.5 cents per kilowatt-hour. At the beginning of 2014, the tariff for free-standing systems will be just 8 to 10 cents per kilowatt-hour.

These reductions ask a lot of the photovoltaics industry in Germany.

They are necessary, in order to keep costs for the consumer at a reasonable level.

Against this background, it would be hard to justify placing a further burden on consumers by making imported solar power eligible for support under the Renewable Energy Sources Act, the EEG.

Nor would this approach be very helpful for Greece or for HELIOS, since our feed-in tariffs are only half the rates currently in place here in Greece.

Does this mean we do not want Greece to export solar power?

Not at all. In principle, we support the idea of Greece exporting solar power to other member states. Especially in the medium to long term, we will need Greece's high solar potential to achieve the decarbonisation of Europe's electricity generation.

However, we do not want this instead of Germany's expansion, but as an addition to the European internal market.

We see HELIOS as a way of helping Greece's economic recovery. Therefore, any financial support from Germany must come from other sources, not from the EEG. These decisions still have to be taken, but we need to clear up the remaining questions quickly.

For this reason, we are pleased that Greece's initial proposals for implementing HELIOS have already been developed further.

They can now be taken as a basis for drawing up the implementation concept. First discussions at working level have already taken place between experts from Greece, the European Commission and Germany.

While it was apparent at these discussions that many questions still remain open, we can also be confident that together we will soon resolve them.

In this spirit, let us get down to work!

This conference is a welcome opportunity to set the ball rolling.

Thank you very much.