

Commissioner Oettinger Speech in Athens:

The Helios project and the role of energy for Greek and European growth

Dear Minister Papaconstantinou, sehr geehrter Statssekretär Becker,

Ladies and Gentlemen,

Minister Papaconstantinou and I have jointly invited you to today's conference because we believe that this is the right moment to take a closer look at the energy sector and the renewable energy sector in Greece in particular. In this time of budgetary rigour, it is more important than ever for us to seize the economic opportunity renewables represent for the region – and for Europe as a whole.

Renewable energy sources will play a major part in Europe's long-term energy development. Beyond decarbonisation, they offer wider and equally important benefits. Indeed, renewables also deliver an important contribution to security and diversity of supply; and they offer major opportunities in terms of industrial innovation and job creation and can contribute to creating new competitive industrial sectors in Europe, with significant export potential for a growing world market.

This holds especially true for Greece and other EU countries most severely hit by the Eurozone crisis.

Our Greek colleagues are making huge efforts to overcome their recession. Despite facing major problems, Greece nevertheless succeeded in reducing the budgetary deficit of the state by around 6 percentage points of the Gross Domestic Product (from 15.6% in the year 2009 to 9.4% last year). This was possible, since Greece adopted consolidation measures of over 16% of the Gross Domestic Product, more than any other Member State!

Together we are working on a valuable agenda for Europe's economy and its citizens. One element of this agenda is, and will

continue to be, the European renewable energy sector and in particular:

- Decreasing our dependency on fossil fuel imports and their rising prices,
- Sustaining technology leadership of European industries,
- Creating jobs all along the value chain of renewable energy installations from research, to production, project development, installation, operation and maintenance to decommissioning.

We are well on track to reach our target of a 20% share of renewable energy in final EU energy consumption by 2020. The European Union and its Member States have decided to put in place a reliable and stable regulatory framework setting strong mandatory targets for 2020 to secure investors' trust. On the other hand, this framework allows Member States flexibility when it comes to choosing instruments and the technology mix that they consider most appropriate. For reasons of subsidiarity this makes sense and so far this policy has proven to be very successful.

But there is no room for complacency. The Commission continues to monitor very closely the developments in Member States and to urge for transparent and predictable amendments of the evolving renewable policy landscape in Member States. Europe is leading the policy developments in the renewable energy sector and to be able to continue harvesting the economic fruit, we should make sure that it stays that way.

The European Commission is therefore fostering the exchange between Member States in a number of fora, so that we can learn from the multitude of experiences that are made across the EU. We help analyse good practice and try to support the development of cost-efficient ways to promote renewable energy technologies to eventually make them competitive with conventional energy sources.

The Commission has recently published a 2050 Energy Roadmap, analysing a range of policy options to largely decarbonise the European economy by 2050. One of the most important messages

we get from this exercise is that renewable energy sources are a “no-regret option” and will in any case play an increasingly important role in our overall energy mix – going up to at least 55% of final energy consumption.

This shows once again how the European decarbonisation policy and our industrial and growth policy, as just outlined, are mutually supportive.

We are now taking these efforts a step further and we will be publishing before the summer a Communication on the renewable energy market that might be followed by legislative action. This Communication describes the current situation of renewables and launches the debate on the additional actions required up to 2020 and then towards 2030.

Our Greek colleagues are making important efforts at the moment to make the Greek renewable energy support scheme more cost-efficient, more financially stable, and thus more effective for overall economic growth. The European Commission is pleased to be teaming up in that effort with Greece to unlock the enormous potential for renewable energy in this country.

This is especially true, because the gradually increasing share of renewables will necessitate us making better use of the possibilities we have in Europe to join our forces.

Cooperation not only enables us to accomplish a task more efficiently, but is absolutely essential for the challenge of developing a sustainable energy system,

- where resources in different European regions can complement each other
- and where trade and increased market interaction will help to create a stable overall system.

This is why the proposal of Greece to develop the Helios project together with other Member States and the European Commission has the potential to be truly groundbreaking.

Greece now has to demonstrate that it is possible to exploit the many hours of sunshine that it enjoys and to translate that into an economic benefit for Greece and those European regions that are not quite as sunny. Minister Papaconstantinou, you presented the project in Brussels on the 24th of February at our Strategy Conference and underlined that there is a real business case. I encourage you to continue this path and to refine the project, to talk to European partners that can help you to make this a success.

Indeed, renewable energy projects in Greece should allow you to satisfy national energy requirements and give you the possibility to export a substantial amount of solar energy to other Member States.

The current Renewables Directive provides for a number of cooperation tools allowing Member States with less natural potential to reach their targets more cost-effectively. If governments choose to do so, they can tap into the potential of other Member States for the purpose of reaching their target. The use of these mechanisms is voluntary and it is true that experience so far is limited. However, we were glad to see the first joint support scheme between Norway and Sweden take off at the beginning of this year and are confident that other cases will follow. To start with, it is also possible that smaller project-based statistical transfers can take place. For regional cooperation, the main projects that come to mind for this are the Helios for renewables in Greece.

Helios is also a unique opportunity to demonstrate that renewable energy technologies like photovoltaics are becoming competitive in the near future through European cooperation. It could be the showcase project on the way to a truly integrated European market for electricity from renewable sources, while simultaneously helping the Greek economy to recover.

I am glad to see many participants from countries of the region but also beyond. And for those that have not yet been actively involved, I hope that this conference will make a convincing case for joining the effort.

At the same time, the regional integration of major renewable energy projects needs to be combined with an adequate expansion of the electricity grid. For instance, the current infrastructure in Greece would not be able to manage the massive power flows generated by large renewable energy projects such as Helios.

Therefore, the reinforcement of the national transportation infrastructure, the connection of Greek islands where a large part of the renewable energy potential is located and the development of new interconnection capacities with neighbouring countries will enable the regional integration of renewables but also support the expansion of the trans-European electricity grid.

The development of such a trans-European grid will help to achieve two key objectives of the European Energy Policy:

- The completion of the internal energy market by 2014
- The end of energy islands by 2015.

Due to its geographical situation, I believe Greece has a key role in the integration of Regional energy markets in the European Union, being related to electricity but also to gas.

This idea should also be the driving force in the implementation of the Energy Law and the ongoing structural reforms of the Greek energy market. It is important that privatisation is used to foster competition and to establish a well-functioning regulatory framework.

In addition, Greece also has the ability to underpin the regional integration outside current EU's borders through the interconnection with the Energy Community countries and Turkey where massive investments in renewable energy are currently being made.

In practice, lengthy permitting procedures, strong public opposition, lack of commercial viability or financing problems can undermine the timely achievement of our objectives. This is why we have presented new legislative proposals on Energy Infrastructure in October last year.

Our proposal includes two Regulations: one on Guidelines for trans-European networks and one on the establishment of a "Connecting Europe Facility". The aim is to put in place the measures required to build the infrastructure of European common interest necessary in 2020 and beyond.

The Regulations provide a useful framework to support the development of an integrated regional electricity market in South East Europe and for the integration of large renewable energy projects such as Helios.

Ladies and gentlemen, overcoming the current situation in Greece requires an overhaul in the economy. The reform agenda aims at a strengthening the economy's fundamentals through:

- o Consolidating public finances
- o Shoring up the financial system
- o Fostering economic growth and job creation in a sustainable way.

Increasing employment levels is a key condition for overcoming some of the current weaknesses and stimulating potential growth. The Helios project and other energy projects in Greece you are looking at together with our Commission's Task Force for Greece, will help you to overcome these difficulties.

Minister Papaconstantinou, we decided to organise this conference as an opportunity to show what we are doing and what still needs to be done in terms of energy in Greece. It is particularly important for me to be here in Greece with you to give to all of our Greek colleagues a personal and an encouraging message related to the Greek energy market and economy. I will continue to be on your side supporting this path and doing all I can to help you to achieve a stable, competitive and sustainable energy platform leading to growth in Greece. I wish you all a fruitful discussion, so that after today we will have made some real progress towards realising this project, opening up a new chapter of European cooperation in the field of renewable energy.

Thank you for your attention.