

CEEP feedback on Offshore Renewable Energy Strategy

CEEP acknowledges a great potential of offshore renewable energy, particularly offshore wind, which can become an important element of the future EU energy system. This is why, we welcome the Commission's initiative to draft the Offshore Renewable Energy Strategy. The deployment of RES onshore and offshore in Central and Eastern Europe would constitute a cornerstone of a swift transition towards a climate-neutral European economy. This strategy will play a vital role in supporting companies and Member States in their efforts to reshape their energy mix with an increased share of RES and other low emission sources. CEEP believes that an appropriate fine-tuning of the EU action in this sector will allow for both private and public entities to better prepare for the upcoming increase in utilisation of various low-emission energy sources and the energy sectors integration.

Given the need to speed up the deployment of offshore RES in the region, particularly in the Baltic, Black and Adriatic Seas, CEEP believes that it is crucial for the strategy to provide clear view on how to shape the EU legislation in this sector for the upcoming decades. We encourage the Commission to develop these ideas in a two way approach. Firstly, there is clearly a need for stable legislation at the EU level which is a key element for investment decisions, but at the same time, some challenges will have to be addressed at regional or national level. The situation in the Baltic and Black Sea offshore sectors will differ significantly from the North Sea and the Mediterranean. Therefore, the new regulations should allow for flexibility to apply to regional or national, tailor-made solutions for each maritime basin in the EU. These solutions could be built on experiences and architecture of well-established forums of cooperation such as BEMIP.

While the deployment of offshore RES will require significant private investments, a bulk of activity will have to be conducted by the electricity operators. Transparency, impartiality, clear financing support instruments, and appropriate division of costs will have to be the key principles of investments in generation and transmission infrastructure. These principles can only be applied if the transmission infrastructure is constructed by the correctly unbundled operators. Any new legislation should carefully address this issue while taking due account of the existing regulatory frameworks resulting from the internal market in electricity directive and regulation.

The strategy should allow for unrestricted access of RES to the energy market and their integration into the energy systems. However, as the EU top down approach is crucial for sending strong political signals to the market, it has to be accompanied by enough space for investors to decide on how to best use the EU's RES potential. Therefore, the new legislation should allow for enough flexibility to be developed by the markets and the Member States to decide on how to best achieve the climate neutrality depending on their national starting points. Cautious approach towards the RES targets,

while taking into account the national competitive advantages and limitations, will allow to benefit from the RES potential in the most cost efficient way.

The RES offshore strategy should also build on the past experiences with respect to streamlining procedures: spatial and maritime planning, regulatory and environmental. Rapid deployment of offshore RES will not be possible if TSOs and regulators do not cooperate efficiently. We encourage the Commission to work with the respective operators and national authorities, preferably on the regional basis, in order to collect their experiences and expectations concerning the construction of large scale RES, both onshore and offshore. Well-crafted solutions will be needed, in particular, when it comes to Cost Benefit Analyses and Cross-Border Coast Allocation procedures. Often complex and long administrative processes have already stalled construction of a number of projects in the EU and this should be avoided.

CEEP would like to also underline the need of the closer cross-border coordination in developing offshore wind. The grid investments at the sea, to become optimal and fit for purpose should also have a viewpoint from transnational or regional perspective. This will help to plan and integrate the offshore deployment in relevant basin in a more sustainable and harmonious way. We look forward to the electricity operators and ENTSO-E playing a key role in performing techno-economic and environmental assessments in order to ensure efficient and secure operation of integrated onshore and offshore grids.

The process of the EU energy transformation will take place in a much shorter time than it would in normal market circumstances. At the same time investments in offshore wind are considerably capital-intensive. Thus, a strong and clear financial incentive from the EU needs to be envisaged, in particular for the investments in transmission infrastructure. We strongly support the EU approach to use the already existing and well-functioning financial instruments such as CEF. However, the specific needs of investors will again differ between regions. The major question for the North Sea will be how to increase efficiency of the existing offshore and onshore grids to realise the RES offshore potential. On the other hand, Central Europe will have to significantly strengthen their onshore infrastructure in order to fully develop their offshore network. It is essential to take these requirements into account when balancing the EU approach to co-financing the necessary infrastructure investments for offshore RES.

As the EU intends to become a global leader of RES generation offshore, strengthening of the EU technological and innovation potential is of crucial importance. We strongly endorse the Commission's approach to prepare common technical standards for construction materials, IT grid management solutions, and infrastructure requirements. If the EU is to become a global leader in offshore, the best way to achieve this is to promote investments in the whole value chain necessary for their deployment of offshore RES. We would also welcome continued support for further research and development efforts in the area to sustain this leadership ambition.

This aspect is getting even more importance in the post-COVID recovery. We believe that development of the offshore industry in the EU can play a significant role in boosting economic growth and job creation. The supportive role of EU institutions in terms of financing as well as regulatory advices are highly welcomed.



Last but not least, the public needs to understand and support the new EU approach towards offshore RES. We encourage to open a meaningful public debate on the requirements that the RES sector has to meet in order to protect maritime environment. This will prevent problems during the investment process.