

Günther OETTINGER

EU Commissioner for Energy

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Welcome address for the Algeria-EU meeting on the development of the partnership in the field of renewable energies and energy efficiency

Brussels, 9 December 2011

Excellency, ladies and gentlemen

It is an honour to welcome you to this conference, and I would especially like to welcome and thank Minister Yousfi and the entire Algerian delegation for being with us today.

A few months ago, Minister Yousfi and I decided to hold a high level meeting with the purpose to increase our cooperation on renewable energy. We also decided to jointly organise such an event and invite representatives of European companies. I am glad that almost all major companies involved in solar energy are present today.

Let me start by putting today's meeting in the European and Mediterranean context.

The European energy market is undergoing a profound transformation. In order to mitigate the effects of climate change and rising import dependency of fossil fuel, the Commission is taken concrete policy initiatives. First, we have the ambition to complete our internal energy market by 2014. Europe is becoming one of the largest integrated energy markets in the world and also one of the most open. This openness will not only be realised through regulatory changes, but also by creating additional energy transport infrastructure.

Second, we are thriving towards a decarbonised energy sector. In a few days the Commission will present its energy roadmap 2050. The aim is to trigger a large debate on the different paths to achieve decarbonisation by the year 2050. This roadmap will set out key options which, from the evidence of scenarios, are the most sustainable, secure and affordable. These should include energy efficiency, renewable energy and low carbon technology.

It is evident that our low-carbon energy agenda can only be pursued through close cooperation with all our neighbours.

Major changes are also affecting our Mediterranean partners. In it's 2010 estimates, the Algerian Commission for the Regulation of Electricity and Gas – the CREG – foresees a population increase from roughly 35 to 40 million people by 2019, and the construction of an additional 165 000 housing units per year over the same time period. According to the IMF, the Algerian economy will also grow by around 3% in the coming years. These figures have a direct impact on the demand in energy. Still according to the CREG, Algeria consumed 29 billion cubic meters of natural gas in 2010, and internal demand is expected to grow to 50 billion cubic meters by 2025.

In order to address this situation, the Algerian authorities have launched a wide reaching program that will be presented in all details today. Let me only flag the ambitious target of 40% of renewable electricity by 2030. Algeria is aiming to be a major actor in the production of electricity from solar power as a driver for sustainable economic development and to promote a new model of growth.

This Algerian Renewable Energy and Energy Efficiency Program builds a solid bridge between the priorities of the EU and the plans of the Algerian authorities. It offers the EU a historic opportunity to develop a new dimension in our neighbourhood relations and to deepen our economic relations.

This is why today's conference is important in my view and it is important to me to give this positive and encouraging message personally to all of you. I see today also as the start of a cooperation process involving both the public authorities and the private sector.

In order to be successful, we need to tackle several challenges together.

The first challenge is very clear to all of us: the costs of renewable energy need to go down. This is particularly needed for solar technologies.

The second challenge relates to exports: can exports to Europe facilitate the investments in the South? How can we build business opportunities that are beneficial for both sides?

In Europe, we have the objective to reach 20% of renewable energy in our energy consumption by 2020. To reach this target, Member States have the possibility to import renewable electricity from third countries at certain conditions; this is the famous "article 9" of our renewables directive.

Several pilot projects are in the making. This is very positive and the Commission is supporting all these projects.

However, time has come to think beyond these first projects and to find an economic model for larger projects. Here again, three questions will need to be openly addressed:

- Are the EU Member States ready to use a small fraction of their renewable support schemes to finance imports from the South?
- Are the EU Member States – or a first group of them – ready to do it together, for instance through a common pool?
- Can we find innovative solutions for countries, like Algeria, with no direct electricity interconnection with the EU?

These are difficult questions, but I think that the context is now mature to launch the debate. The Commission intends to do just that by preparing a new Communication on renewable energy to be issued in the first semester of next year. We are about to start a public consultation in view of this and I hereby invite you to give us your point of view and comments.

In parallel, we would like to take concrete steps with you Mr Yousfi, and build with Algeria a strengthened partnership on renewable energy and electricity. The ingredients of such partnership could include:

- opportunities for industrial partnerships in the context of the Algerian renewable plan;
- joint research and innovation activities, notably through a better involvement of our Algerian partners in the EU programmes;
- the definition of a legal framework favourable to investment and trade in renewable energy.

After today's conference, I would like to sign in the coming months our MoU on energy cooperation. This will express our common interest to intensify our cooperation and to find mutually beneficial solutions in political and economic terms for the large scale development of renewable energy.

Our cooperation should of course also look at the regional dimension. In particular, we need to think long term and regional when it comes to infrastructures. It is my intention to better involve Algeria and our other partners from the South in the EU long term infrastructure planning. Interconnections of common interest should be jointly discussed and supported.

What is our perspective?

A cross-Mediterranean regional energy market is already in the making. Things are moving. Let me for instance refer to the recent creation of METSO, the cooperation platform of Mediterranean electricity transmission system operators, in which Sonelgaz played an important role.

Our perspective is to progress towards a Mediterranean energy community, probably starting with electricity and renewable energy aspects.

But today the focus will be on the national initiatives our Algerian partners have developed in the framework of their Renewable Energy and Energy Efficiency Programme, and how innovation, technology and infrastructure can help to realise these objectives.

Excellency, ladies and gentlemen,

This conference has been organised to better understand each-other's activities and plans in the field of renewable energy and to identify all the possible crossings where we can cooperate: from investment to technology, from regulatory aspects to industrial partnerships and infrastructure. I thus encourage the audience to take an active part in the discussion.

I have now the great pleasure to invite the Algerian Minister for Energy and Mining, Mr Youcef Yousfi to address this audience.

Thank you for your attention.