

**Commission of the European Communities**  
Secretariat General, Unit D1  
EU2020@ec.europa.eu

Copenhagen, 15 January 2010

**Vestas Wind Systems A/S' response to the Consultation on the Future EU 2020 Strategy COM(2009)647**

Vestas welcomes the commitment shown by the Commission to present a proposal for a future EU 2020 Strategy. We agree with the Commission that the end of the current financial crisis should mark the point of entry into a greener economy, where European prosperity and wealth will come from innovation and better resource allocation, and where new industries of growth can replace the jobs lost during the crisis.

We have a say in the shape of the next generation of EU public policies because we at Vestas consider ourselves frontrunners in developing the greener, and more competitive economy that can actively take part in boosting new job creation. With more than 14.000 direct blue and white collar employees spread across 16 different EU countries, accounting for more than 22% of the 180.000 jobs in the European wind power sector, we at Vestas represent the embodiment of European green collar job creation.

Still the world's largest market for wind energy, Europe's wind labour market is now part and parcel of the European economy. According to several wind energy associations every wind-megawatt of energy manufactured offers a total of approx. 15 direct and indirect jobs. With 20% renewable energy in the EU by 2020, the European Wind Energy Association estimates that this could lead to more than 325.000 direct and indirect wind jobs.

Considering the job creation potential of the wind power sector, Vestas supports the European Commission's strategy proposal to increase the application of new, greener technologies that will stimulate growth, create new jobs and services, and help the EU both to maintain a strong manufacturing base and a vibrant services sector and to meet its environmental and climate goals.

More specifically we support the following points stressed by the Commission:

- **The recognition that we have entered a new era towards a greener economy where growth and job creation is dependent on an industrial policy centred on sustainability, innovation and skills.** Vestas strongly believes that the way out of the current crisis lays in a transformation of Europe's carbon-based industry into a modern European industry underpinned by green technology. The wind sector is a good example of green job creation in Europe; in 2009 the sector directly employed 180.000 people and Vestas itself employed 14.000 people in the EU and more than 20.000 world-wide. Yet, electricity from wind power today only contributes to 4.2% (2008) of the EU's total electricity demand.
- The creation of a well functioning **single electricity market** where competition and consumer access stimulates growth and innovation, allowing the European industry to emerge reinvigorated from the crisis and well positioned to face international competition;
- The development of a **European electricity super-grid**, which we believe is a pre-requisite for large-scale integration of renewable electricity in the EU. This will allow the transportation of electricity from, for example, wind energy from Member States with strong wind resources to Member States with little or no wind resources;

- A well-functioning system of **intellectual property rights**, which is a critical driver for technology competition and diversification of products and technologies to the benefit of companies in this field, the environment and the economy as a whole.
- Encouraging an open and rules-based global trade, i.e. free, fair and open 3rd country markets and thus a level playing field competition in the green technology industry are crucial in **setting EU 2020 in a global context**. Green technology is increasingly seen as strategically important in many countries. By this focus the renewable sector can experience increased unfair market treatment. It is therefore crucial for maintaining a European technology lead that there is a competitive level playing field in the sector globally. Reducing and eliminating tariffs and non-tariff barriers on environmental goods, services and investments are necessary in order to maintain the industry's international competitiveness.
- The recognition that in a period of industrial restructuring, **stable and predictable framework conditions** creating investment confidence and business case certainty are crucial for the transition of the industry base to take place;
- The need for Member States **to redirect and safeguard public expenditure** towards investments in sustainable greener growth;

However, as an industrial manufacturer operating in the European energy sector -- a sector that will have to replace half of its existing electricity plants and already now make the strategic investment decisions to secure low carbon and independent electricity generation by the early 2020s -- we would like to stress the need for the following points of action:

- **The EU 2020 strategy should have as a main goal to further develop and promote renewable energy sources.** We strongly believe that wind energy constitutes a great part of the answer to the EU's transition to a green economy creating growth and jobs. Wind energy is not only a clean source of power but it is also a frontrunner in creating green jobs and cost-competitiveness too. The cost of electricity from wind power is now at comparative levels with conventional sources of energy. Emerging Energy Research's<sup>1</sup> report from September 2009 also shows that with a €30/ton cost on carbon dioxide, the cost of electricity from wind power in Europe is even comparable to coal power. Moreover, EER assess that by the middle of the next decade wind will be amongst the lowest-cost forms of power generation assuming that the carbon price will escalate even further to €40/ton between 2013-2020 with 100% auctioning in the EU ETS enforced from 2013 onwards. Today the wind energy sector employs 180.000 people in the EU but with clear, predictable and transparent frameworks, creating the business case certainty crucial for investments to take place, the potential of contributing to the growth of the EU is far larger. With sufficient economic incentives, robust grid development and well functioning planning processes, the wind energy sector will not only deliver a part of the solution to climate change but also securing independent energy supply and generating economic growth;
- Specific policy proposals aiming at assisting the wind energy industry to emerge from the current economic conditions caused by the financial crisis, into a state where it can develop future opportunities. **Facilitating access to credits and financing** is crucial to support innovation and therefore the European Investment Bank should have renewable technologies and clean energy infrastructure as a priority focus. .
- the **EU financial perspective post-2013** should ensure a reflection of the key policy priorities of the EU 2020 strategy, as well as more targeted use of the Structural and Regional Funds towards renewable energy sources;

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<sup>1</sup> Emerging Energy Research, 2 September 2009, *Comparative Cost of Power Generation in Europe: 2009*, Clean Power Generation Advisory.

- **closely monitoring and securing the implementation of the directive on Renewable Energy Directive through the EU National Action Plans**, the directive on the EU Emissions Trading Scheme, and the decision on Effort-sharing;
- policy proposals on how to further **complement the EU's climate change and energy strategy** as adopted in December 2008, ensuring the fulfilment of the objective of this strategy, the entry into a smarter and greener economy; as well as on a EU climate change and energy regime post-2020;
- **the creation of a new unit on renewable energy** in the European Commission DG Trade to promote the interests of EU renewable energy companies internationally, as well as one in DG Enterprise with the purpose to promote the development of the renewable energy industry within the EU;
- more efficient reviews and evaluation of the implementation of the EU 2020 strategy such as **thematic reviews**;

Via this letter, we have expressed our view of the future EU 2020 Strategy and hopefully drawn the Commission's attention to the importance of renewable energies, and wind energy in particular, in contribution to European competitiveness, technological innovation, export potential, energy independence, and last but not least, green job creation.

Should the Commission wish to discuss any of the abovementioned points further, we will gladly engage ourselves at the Commissions request.

Yours sincerely



On behalf of

**Peter C. Brun**  
Senior Vice President  
Group Government Relations

T: 0045 9730 7842  
M: 0045 4160 6102  
@: pbrun@vestas.com

Vestas Wind Systems A/S  
Hedegaardsvej 88  
DK - 2300 Copenhagen S