



Questions and Answers on the European Wind Power Package

Brussels, 24 October 2023

Why is the Commission coming forward with a new initiative to support the wind sector?

The current situation in the European wind power sector requires immediate action by the Commission in close cooperation with the Member States and industry. So far, more than 200 GW of wind energy has been installed in the EU, including 16 GW offshore. Those installations provided 16% of the EU's electricity generated in 2022. Most of the necessary equipment has been delivered by European manufacturers, which are also strong players at global level. However, the sector is now facing difficulties in operating profitably and competitively.

As stated by President **von der Leyen** in her State of the Union speech in September, despite representing a European success story, the EU wind sector is currently facing a unique mix of challenges that slowed down the rate of progress.

In particular, the industry's manufacturing facilities are currently under-utilised due to slow deployment of wind energy and to the difficulties to accurately forecast demand for wind turbines in the EU. The existing gap between the 2030 targets and actual deployment, mostly caused by complex and slow permitting procedures, creates uncertainty for manufacturers and complicates production and investment planning.

Second, difficult access to raw materials, high inflation and changes in commodity prices, coupled with increasing interest rates and limited access to finance, have eroded the financial position of manufacturers. Third, the design of national tenders for the support of renewable energy is based almost exclusively on prices but does not appropriately reward the high environmental and social standards of European products. Uncapped negative bidding and insufficient penalties for non-execution may also create risks for the full and timely delivery of projects.

In addition, pressure from international competitors such as China represents a growing challenge for the EU wind manufacturing. Some of these non-European companies benefit from specific advantages linked to their vertical integration, domination in their home market or attractive financial conditions. While competition stimulates innovation and product improvements, an unlevel playing could negatively affect EU wind equipment manufacturers and even reduce their competitiveness. Finally, risks around the lack of skilled workers in the wind manufacturing sector such as operators of vessels, cranes or heavy lifts, might hamper the necessary increase in European production capacity.

Over the past years, and especially in 2022, all largest European wind turbine manufacturers reported significant operating losses. In addition, although a record 16 GW were installed in 2022 (47% more than in 2021), this pace is well below the 37 GW per year required to achieve the forecasted contribution of wind power to the EU's 2030 renewable energy target, which following the Fit for 55 revision has now increased to 42,5% with ambition to reach 45%.

This situation requires immediate action, so this is why the Commission is coming forward with this package including a [European Wind Power Action Plan](#) and a [Communication to deliver on the EU's offshore renewable energy ambitions](#).

How does the Commission intend to accelerate wind power deployment in the EU?

Under the European Green Deal, the Commission has spearheaded several legislative initiatives to tackle the issue of slow permitting procedures for renewable energy projects, notably the [revision of the TEN-E Regulation](#), the [revision of the Renewable Energy Directive](#) as well as the adoption of emergency rules on permitting during the energy crisis in 2022. On top of that, it has tabled the [Net-Zero Industry Act](#) to accelerate permitting for net-zero technology manufacturing projects.

This [Action Plan](#) aims to rapidly implement the legislation which is entering into force now, to ensure that it becomes reality on the ground and that our targets are achieved. With the Wind package, we

are now doubling down on our efforts to accelerate deployment through increased predictability and faster permitting. More specifically, under the new "Accele-RES" initiative, the Commission will support Member States in implementing the permitting provisions of the revised Renewable Energy Directive swiftly, with a strong emphasis on the digitalisation of national permitting processes. It will also financially support the training of national permitting authorities and provide updated recommendations and guidance to the Member States on permitting, including on the designation of renewables acceleration areas.

Under the Action Plan, Member States are expected to increase visibility in the wind project pipeline through wind pledges, publication of the mid-term auctions schedules and of long-term plans for renewables deployment. The Commission will also work closely with the Member States to improve the design of auctions, which send investment signals across the whole value chain and are central to ensure the profitability of the sector. In particular, Member States will be encouraged to include objective and non-discriminatory criteria related to cybersecurity and data residency, sustainability and sea basin protection among others, as well as measures to maximise the execution rate of the projects. Following a dialogue with the national authorities and the wind industry, the Commission will come forward with recommendations and guidance by the end of March 2024. Finally, the Commission will also increase the use of strategic procurement in the context of the Global Gateway. This will ensure that projects are delivered according to high environmental, social and governance standards and allow contractors and producers who fulfil these standards find a viable business case.

New measures are also set out specifically for the offshore sector under the dedicated Communication. Member States are now aiming to install 111 GW of offshore renewable generation capacity by 2030 - nearly twice as much as the initial objective of at least 60 GW set out in the [2020 EU Offshore Renewable Energy Strategy](#). Increasing the roll-out of offshore wind as well as ocean energy requires strengthened regional co-operation, in particular on offshore grids and cross-border renewable energy projects. The Commission will support with guidance on cost-benefit analysis and cost sharing to stimulate investor certainty and ensuring a regional approach to Maritime Spatial Plans. This must be compatible with other marine economic activities as well as with environmental objectives and nature protection and restoration targets at sea. The Commission will also address the role of ports as a key element in the offshore energy supply chain, including with a study to address the capacity of ports to support the fast roll-out of offshore wind by mapping, categorising and prioritising port infrastructure needs relating to offshore wind developments.

How will this Action Plan improve access to finance for the sector?

The challenging general inflationary and interest rate environment, with specific impact in the raw materials sector, as well as the frequent need to provide upfront guarantees in order to secure contracts are deteriorating the wind manufacturing sector's ability to access finance under attractive conditions.

To address this, the Commission will facilitate access to EU financing for the sector, including by expanding the possibility for support for wind energy manufacturing under the Innovation Fund, the [revised Strategy Energy Technology Plan \(SET Plan\)](#), as well as through the newly created [Strategic Technologies for Europe Platform \(STEP\)](#). As regards the Innovation Fund, in particular, the Commission will double the budget for financing clean technology manufacturing projects to €1.4 billion, including projects for the manufacturing of wind turbines and their components in its next imminent call.

Second, by the end of the year, the European Investment Bank will deploy a dedicated guarantee mechanism for commercial banks' credit exposures to key wind industry suppliers. Third, Member States can make full use of the opportunities provided by the Temporary Crisis and Transition Framework rules for State aid in support of wind manufacturing in the EU.

Finally, the Commission will strengthen its ongoing dialogue with stakeholders, in particular long-term capital investors, in the context of the Investors Dialogue, to identify solutions to make the EU wind industry more competitive at attracting investments globally.

How will the Commission ensure that the wind sector operates in a fair and competitive international environment?

Competition in the wind manufacturing sector has increased at global level in the last years, in particular with the increasing role of Chinese companies in their home market and at global level. The pressure of competition can contribute to strengthening the European wind sector, but it must be based on a level playing field.

To ensure that the wind sector operates in a fair and competitive international environment, in the Commission, in close cooperation with the Member States and industry, will make full use of the tools at its disposal, including trade defence instruments as well as the international Procurement Instrument to ensure a level playing field and facilitate EU manufacturers' access to foreign markets. In close cooperation with national authorities, the Commission will also ensure vigilance against foreign direct investment threatening security and public order.

On top of that, we will continue to use trade agreements to strengthen the competitiveness of the EU wind industry and pay specific attention to the needs of the sector in ongoing negotiations for new agreements, while also promoting the adoption of EU and international standards for the sector, including through the established [High-Level Forum on European Standardisation](#). Standards are a key instrument to ensure interoperability, reduce costs and speed up the market deployment of wind energy technologies onshore and offshore.

How can the Commission help to ensure that the sector has the necessary skilled workforce?

With the foreseen increase in wind energy deployment and in the corresponding manufacturing capacities in Europe, we need to make sure that enough workers are available in the EU and that they have the right skills. Over the last two years, the Commission has supported the creation of large-scale skills partnerships for the renewable energy industrial ecosystem under the [Pact for Skills](#). The Commission encourages these partnerships to design projects that support skills development for the renewable energy sector. This will complement the proposal to set up dedicated training programmes through net-zero academies which is part of the [Net-Zero Industry Act](#) being discussed by the co-legislators.

What is the role of offshore renewable energy in achieving the EU's climate goals and how does the Commission plan to boost it?

Offshore renewables will be key to reach our 2030 and 2050 climate and energy targets, as well as to reduce dependency on imported fossil fuels. Most of the additional capacity will come from wind, but we also expect to reach 1 GW of installed capacity from ocean energy by 2030.

Earlier this year, EU countries have agreed on new long-term goals for the deployment of offshore renewable energy with an overall ambition of 111 GW generation capacity by 2030, which is nearly twice as much as the objective of at least 60 GW set out in the [2020 EU Offshore Renewable Energy Strategy](#). By 2050 more than 300 GW of offshore renewables should be installed. To reach these ambitions the deployment of offshore renewables needs to accelerate significantly from 1.2 GW installed in 2022 to on average 12 GW per year by 2030, which is ten times more.

The Commission is therefore stepping up action to support the new ambitions for the sector. First and foremost, it will foster regional cooperation in relation to infrastructure and maritime spatial planning, including on the publication of auctions for offshore renewable energy and by providing guidance for a specific cost-benefit analysis and cost-sharing for offshore grid projects. It will also strengthen support to national authorities in implementing updated provisions on permitting under the TEN-E Regulation and the Renewable Energy Directive, as well as try to rally Member States around regional surveillance plans for offshore infrastructure in the context of our efforts to strengthen the resilience of critical energy infrastructure.

For More Information

[Press release](#)

[Factsheet](#)

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