



Press Release

Energy transition: Industrial strategy urgently needed!

Innovative wind industry needs planning security beyond 2030

Bremen/Bremerhaven/Hannover, March 16, 2020 - The current political discussions as well as yesterday's Federal-Länder summit in Berlin give little hope that the constructive future strategies of the EU's "green deal" have also reached Germany. Especially for small and medium-sized companies, innovation drivers and pioneers of the wind industry in Germany, the slowdown in the home market for offshore wind is increasingly becoming an existential threat. It also affects the perspective of "green" hydrogen production and the prospect of tapping into relevant export potential. If SMEs are starved out by a weak home market, the import share will ultimately increase. This will make our future energy system unnecessarily expensive.

The Federal Government has failed to meet its own goals formulated just before the last major amendment of Germany's renewable energy act EEG. Four years ago, in a key issues paper, it announced that it would continue to expand renewable energies "steadily and cost-effectively", protect the diversity of actors, and ensure enough competition to keep costs down. These goals are not achieved. "A 'thread break' in this comparatively young technology should be prevented," said the government at the time. It is therefore important to have a "continuous expansion". The government promised that this would also take account of the industrial policy concerns of the coastal regions. The "thread break" has arrived: The government's planned stop for the expansion of offshore wind in the coming years will empty the order books of domestic SMEs.

In the past few years, several initiatives by the Northern federal states have shown what the planning security required for the offshore wind industry could look like. In the "Cuxhaven Appeal 2.0" in 2017, the Northerners emphasized the cost-effective contribution that wind energy at sea can make to the energy transition and called for this competitiveness to be used and strengthened with a clear and long-term increase of Germany's offshore wind expansion goals.

"The Offshore Wind Energy Act (WindSeeG) needs to be amended quickly as in this act the 20 GW target until 2030 and sufficient connection capacities are to be legally implemented. The long-term goal of at least 40GW in the German North Sea also needs to be enshrined in the WindSeeG in order to provide planning security. Only then can the necessary infrastructure for the connection capacity be planned in a timely and cost-effective manner," said Olaf Lies, Minister for the Environment, Energy, Construction and Climate Protection of Lower Saxony.

Last year, policymakers in Bremen also campaigned together and across party borders with their "Bremen Declaration" that calls for a long-term perspective of the offshore wind industry in Germany. According to the declaration, Germany's offshore wind expansion goal should be at least 35 GW by 2035 - also in view of the sector coupling that is urgently needed for the energy transition. This is another example of the constructive support of the Northerners for the wind industry.

"The offshore wind industry is an essential pillar of the necessary energy transition. With the expansion goals of the 'Bremen Declaration' it can become a job engine again and make a significant

contribution to the production of 'green' hydrogen along the North Sea coastline," said Kristina Vogt, Senator for Economy, Labour, and Europe of Bremen.

"In contrast to our federal government, the Northerners and the EU Commission understood that companies in the offshore wind industry and other industry sectors need planning and investment security. The EU industrial strategy and the Green Deal with a perspective of up to 450 gigawatts of offshore wind in Europe by 2050 are leading the way and stand in sharp contrast to the German government's energy policy, which does not showcase any forward looking acts," said Irina Lucke, president of the WAB board.

"It is not helpful to point out that there is a growing export market that companies could focus on. For SMEs, it is more difficult than for large companies to opt for international markets depending on the market situation. This thread break will put many SMEs out of business and add to the number of jobs already lost in the sector. The federal government is thus further reducing the diversity of actors that it once wanted to preserve," said WAB managing director Heike Winkler. The federal government has not even kept its coalition agreement promise from 2018 to announce an extra tender in the short term, despite available grid connection capacity.

In the new industrial strategy spelled out by the EU Commission, companies' concerns and their competitiveness find more political attention. When presenting her new industry strategy earlier this week, Commission President Ursula von der Leyen emphasized that European industry has what it takes to be a pioneer and that the European Commission will do whatever it takes to support it. Our federal government, on the other hand, is not only refraining from increasing the expansion of offshore wind power to the 25 to 28 gigawatts by 2030 as recommended by think tanks like AGORA Energiewende, which it needs to achieve the goal of a 65% share of green electricity at low cost. It also abstains from spelling out an ambitious long-term goal that could provide for investment security urgently needed by the industry.

"The on- and offshore wind energy sector along the coastline and inland makes an important contribution economically and technologically to the success of the energy transition. It needs a reliable perspective and the long-awaited political tailwind to be able to realize its potential for sector coupling via "green" hydrogen," said WAB managing director Heike Winkler.

About WAB e.V.:

Bremerhaven-based WAB is the nationwide contact partner for the offshore wind industry in Germany and the leading business network for onshore wind energy in the north-west region. The association fosters the production of "green" hydrogen from wind energy. It comprises some 250 smaller and larger businesses as well as institutes from all sectors of the wind industry, the maritime industry as well as research.

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