

Dear Ministers, dear Commissioner Dimas, dear State Secretary, Chairman Ian Mays, Professor Zervos, ladies and gentlemen.

We are at a defining moment in the history of energy supply. Everyday, when we open the newspaper, we are confronted with new stories that demonstrate the enormous task we are facing when it comes to securing Europe's future energy supply. Oil and gas prices are soaring and few expect them to come down soon. The risk of supply disruptions is increasing as we saw early this year with the Russia-Ukraine gas supply disruption. At the same time, our demand keeps growing while Europe's own conventional energy resources are gradually depleting.

We must secure that energy is available to our citizens. We must also ensure that our energy supply is affordable for the European households and businesses. Finally, we must ensure that our supplies are environmentally sustainable so we do not hand over an environmental time bomb, and the cost of cleaning up, to future generations. Given the current energy situation, that is a massive task.

We are already heavily dependent on energy imports - half of our supplies comes from areas outside the European Union. That share will increase to 70% over the next two decades unless we change direction. Meanwhile, we are facing a potential climate disaster that could cost us the world - literally speaking.

According to the European Commission<sup>1</sup>, 75% of our oil is imported. 40% of our gas is imported – a share that will have increased to 70% in two decades. Half of our coal is imported, increasing to 70% in 2020, according to the Commission. And finally, the European Union is home to just 2% of the world's known natural uranium reserves.

So, it seems clear that an increasing share of our energy will have to be imported. What is less clear is what the cost of those fuel imports will be. Nobody can predict the oil and gas prices of tomorrow but it seems increasingly obvious that they will be higher than today.

That we are facing a very big challenge when it comes to our future energy supply is beyond doubt. That is why the issue has moved to the very top of the EU political agenda. In January, this year, Commission President Barroso identified energy as one of four Priority Action Areas identified in the first Annual Progress Report since the Lisbon Agenda was re-launched last year.

Ever increasing dependence on fuels that we do not control at prices that we cannot predict or influence is not a desirable position to be in. How do we simultaneously reduce our energy dependence, reduce fuel-price risk while securing our international competitiveness and limiting the environmental cost of producing energy?

How does Europe position itself in this new era of energy uncertainty?

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<sup>1</sup> Commission Green Paper on security of energy supply, 2001; P. 21 ff

Well, we can go a long way if we can eliminate, or drastically reduce the fuel component of our energy supply. Power without fuel? That sounds like utopia. It really isn't. Within our borders we have abundant resources in the forms of wind, solar, wave and geothermal to name a few. Last week the European Wind Energy Association launched its "No Fuel" campaign which shows that we can meet 23% of European electricity demand in 2030 – and it can be done by less than doubling the number of wind turbines currently operating in Europe.

I am from a country, Denmark, that already gets 20% of its electricity from wind power alone. Of course we can duplicate that effort in the rest of Europe. But doesn't it hurt our economy and our ability to compete with the rest of the world. Well, according to the World Economic Forum's Global Competitiveness Report<sup>2</sup>, Denmark is the fourth most competitive economy in the world.

Wind is only one of several technologies with "no fuel"-features. In the debate on Europe's energy future, we need to expand our definition of what constitutes an energy resource to include those resources that are available right at our doorstep in the form of renewable energy sources. If we combine serious efforts in renewables with determination to implement energy efficiency measures and redirect our research efforts towards new renewable technologies rather than conventional sources of energy, I believe that we can in fact turn this energy challenge into an opportunity and a competitive advantage for Europe.

The European Parliament is currently debating the EU's 7<sup>th</sup> research programme – FP7, a process I am very much involved in. The development of the wind energy technology to the point where it is today is quite an achievement when you consider that of all R&D funding in the OECD countries over the last three decades, only 1% was channelled towards wind energy, compared to over 80% of research funds for fossil fuels and nuclear.

We need to redirect our energy research funds towards renewable energy sources. Political vision and will is a prerequisite but will not alone enable Europe to reap the full benefits of wind energy, and other renewables. Dramatically increased funding for renewables is essential – at least on a par to that set aside for conventional technologies. The wind energy sector has proposed that the Commission supports the establishment of a Technology Platform for Wind Energy to assess the policy and technology research tasks that are most urgent, and to channel private and public funds towards them. I fully support such a platform and encourages the Commission to lend its support to a sector where Europe is still ahead.

The IEA has recently described renewable energy technologies as "crucial" to achieve a balanced global energy future, in terms of both security of supply and economic development.

And yet, since the 1980s, research funding for renewables has not increased, but dwindled! For example, in the first half of the Sixth Framework programme for R&D – FP6 – there was

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<sup>2</sup> See:

<http://www.weforum.org/site/homepublic.nsf/Content/Global+Competitiveness+Programme%5CGlobal+Competitiveness+Report>

no long term R&D funding for wind energy at all. The IEA is calling for all energy R&D budgets to be restored to the levels seen in 1980, during the first oil crisis. If this logic is followed across the board, it would mean nearly tripling current funding levels for renewable energy research.

It will be a challenge for Europe to reach a contribution from wind energy in the same order of magnitude as the conventional technologies. It will require all the ingenuity the wind energy sector can mobilise as well as political vision and determination. This must be combined with dramatically increased research funding, not least in offshore wind energy.

But compared to the challenges of maintaining and securing Europe's current energy supply structure, the challenge is trivial. From an energy security point of view, the implications of having an indigenous zero-fuel energy source available at our doorstep are staggering. There is no need to explore, mine, extract, refine, liquefy, transport, secure or import the wind resource. There is no need to transport or store dangerous waste or invent far-flung methods to curb emissions of greenhouse gasses. The technology is available today.

We can turn the energy challenge into an opportunity for Europe. And I believe that the wind energy sector is a corner stone in that process.

I wish you all a good conference.