Thursday, 20 December 2012

European Investment Bank
FAQ Adrian Aupperle (Communication Department)
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg

Dear Adrian Aupperle

RenewableUK is the leading UK renewable energy trade body representing more than 650 members in the wind, wave and tidal stream sectors. These industries will provide the majority of the renewable electricity required to meet the UK’s 2020 emissions reductions targets, create thousands of jobs across the supply chain, revitalise the economy and stabilise consumer energy bills. RenewableUK appreciates the opportunity to respond to the European Investment Bank (EIB) Consultation examining its energy sector lending policy.

RenewableUK as a member of the European Wind Energy Association (EWEA) would like to offer this letter in support to its submission to this consultation in addition to encouraging further investment in the marine energy sector. EWEA effectively makes the case for why the EIB should focus its attention on renewable energy generation. The wind, wave and tidal sectors have the ability to create up to 40,000 jobs by 2021 within the UK alone, securing Europe’s energy future in addition to helping meet its renewables targets. The EWEA response successfully addresses EIB’s questions in making the case for the continued benefits that come with investments in renewables such as job creation and the ability to export these technologies around the world.

There is increasing evidence investing in renewables pays off by boosting economic growth. Earlier this year Cambridge Econometrics issued a report for Greenpeace and WWF-UK assessing the macroeconomic economic benefits of large-scale offshore wind development compared to a scenario with limited offshore wind power generation combined with additional gas-fired generation. While offshore wind is only slightly more costly than gas, more importantly the macroeconomic benefit of offshore wind investment is seen to be much higher due to more localised content creation (construction and manufacturing). In the high wind scenario GDP is .8% higher by 2030 compared to the high gas scenario.

As Europe moves toward electricity integration large-scale investment will be needed. The current economic climate is indeed having an effect on investment meaning it is increasingly important for institutions such as the EIB to invest in both proven and emerging renewable technologies to strengthen Europe’s economic competitiveness. The EIB has the opportunity to fill the gap where private investment is lacking, enabling private investors to follow course. Wave and tidal energy in particular has the opportunity to improve the energy landscape in Europe. UK and Europe is seen as the leader in the marine sector – potentially becoming a €60 billion global market by 2050 – and would benefit from its ability to export skills, services and products.

In addition to meeting EU renewable energy targets, the UK’s Energy Minister Ed Davey and the independent Committee on Climate Change maintain the costs of energy will be lower due to investment in renewable energy. The cost of renewables continues to fall while the price of fossil fuels fluctuates. Furthermore, work completed by the Offshore Cost Reduction Taskforce and the Offshore Wind Cost Reduction Pathways set out actions to further reduce the cost of offshore wind energy generation and industry is committed to doing more.

Renewables have the potential to help achieve energy security, the creation of jobs and economic prosperity. RenewableUK hope the EIB continues to consider these benefits when making future investment decisions.

Yours sincerely,

Jin Hubbard
Economics Policy Officer