

# EUROPEAN WIND POWER PACKAGE

On October 24th, the European Commission tabled a new European Wind Power Package to strengthen the industries competitiveness and address several difficulties faced by the industry. The package serves to address various concerns raised by industry regarding production capacity, unfair competitive practices from third countries, skills shortages and more.

The Commission has developed a six-pillar action plan to address industry concerns and has called on the European Parliament and Member States to endorse the package. Additionally, the Commission has issued a Communication, reaffirming its commitment to the offshore renewable energy sector while outlining its intentions for the industry moving forward.

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# New European Wind Power Package

## OVERVIEW

The new **European Wind Power Package** tabled today will see the European Union bolster its competitiveness in the Wind Power industry by targeting a number of shortcomings and difficulties faced by **Wind Power equipment manufacturers**, such as **skills shortages, inflation and commodity prices and pressure from international competitors**.

The package comes in response to **several concerns** raised by industry representatives during the annual meeting of the **industry lobby group, Wind Europe**, in April of this year. These representatives bemoaned being hit with a **“triple-whammy”** of **commodity price increases, global instability caused by Russia’s invasion of Ukraine, and rising interest rates**. The package tabled today seeks to pacify industry concerns.

## FIVE DIFFICULTIES IDENTIFIED IN THE PACKAGE

The new Wind Power Package identifies **five key issues** faced by European wind equipment manufacturers:

- The **under-utilisation of production capacities**, driven by inadequate and uncertain demand for wind turbines in the EU
- **High inflation and commodity prices**, combined with limited hedging by wind equipment manufacturers against input price volatility
- **Design of national support focusing on price** criteria rather than environmental and social standards in European products and supply chain resilience
- **Pressure from international competitors**, most notably China
- Availability of **skilled workers** in the wind manufacturing sector

## ACTION PLAN

In order to address the issues outlined above, the EU’s action plan has been structured into **six main pillars of concerted action** by the European Commission, Member States and the industry:

- Acceleration of deployment through increased predictability and faster permitting
- Improved auction design
- Access to finance
- Creating a fair and competitive international environment
- Skills
- Industry engagement and Member State commitments

## 1. ACCELERATION OF DEPLOYMENT THROUGH INCREASED PREDICTABILITY AND FASTER PERMITTING

Unlocking existing projects in the authorisation phase and accelerating new projects requires more efficient and transparent permitting processes, better staffing and training of the national permitting authorities and faster implementation of the new regulatory framework on permitting.

To address these obstacles, the Commission will focus on rolling out the digitalisation of the permitting process across all EU Member States. Better exchange between Member States on existing practices to gain acceptance of local communities will also bring additional value to the process.

**The Commission will prioritise the acceleration of permitting** by putting a strong emphasis on **digitalisation** of national permitting processes across the EU as well supporting the roll-out of **training** for national permitting authorities. Additionally, Member States are encouraged to use the **Technical Support Instrument (TSI)** to further support fast implementation of permitting provisions in RED.

The Commission is taking steps to streamline the permitting process by launching an **online tool** before January 2024, offering answers to frequently asked questions on implementing **revised permitting provisions**. Additionally, they are encouraging swift permitting rule adoption by urging Member States to create **detailed implementation plans for the revised RED**, updating recommendations and guidance, and by establishing a **dedicated forum** to exchange best practices and overcome challenges.

The Commission will set up an interactive **EU digital platform** on which the auction planning of the Member States will be published. This will ensure higher visibility for upcoming auctions and expected deployment volumes, allowing companies to have a **single point of information** for all auctions planned in the EU.

The Commission will call on Member States to make **specific, concrete commitments for wind energy deployment volumes for at least 2024 to 2026 by the end of 2023**, providing a clear overview of wind energy development for the coming years. In December 2023, based on NECP assessments, the Commission will **issue recommendations for permitting and long-term planning**, encouraging Member States to go beyond legal requirements and develop comprehensive **10-year plans for renewables deployment**, particularly wind, with a view toward 2040.

## 2. IMPROVED AUCTION DESIGN

The Commission, following a **dialogue with Member States and Stakeholders**, Commission will come forward with a **recommendation**, as well as guidance to provide standard elements to auctions, in full

complementarity with the **Net-Zero Industry Act (NZIA)**, as well as making auction design more uniform and efficient. In the longer term, the Commission would be ready to ensure a more **uniform auction design** by making these provisions legally binding via an **Implementing Act in the NZIA**.

The Commission will also identify **cybersecurity risks relevant to wind energy installations** and related infrastructure, including data protection aspects alongside increasing the use of **strategic procurement in the context of the Global Gateway**.

## 3. ACCESS TO FINANCE

The Commission will **expand** the possibility for support for wind energy manufacturing under the Innovation Fund, namely by **doubling the budget** for financing clean technology manufacturing projects to **EUR 1.4 billion**, including projects for the manufacturing of wind turbines and their components, in the next call for proposals on 23 November 2023.

By the end of this year, the Commission will also **strengthen wind-related activities** under the revised **Strategic Energy Technology Plan (SET Plan44)**, along with increased support for research and innovation in the wind manufacturing sector.

The Commission and the European Investment Bank are jointly working with high urgency on a **dedicated instrument to counter-guarantee commercial banks' credit exposures to key wind industry suppliers**, increasing access to advance payment and performance guarantee lines.



The common objective of the Commission and the EIB is to launch the **new facility in the coming 3 to 6 months**. This will alleviate the financial pressure resulting from a growing order book exacerbated by macroeconomic challenges, including rising inflation, interest rates as well as significant supply chain disruptions.

#### 4. ENSURING A FAIR AND COMPETITIVE INTERNATIONAL ENVIRONMENT

The Commission is to **further intensify negotiations** on trade agreements that would strengthen the position of EU companies, including in the wind sector, and ensure undistorted access to foreign markets.

The Commission, in partnership with the European wind industry, will closely **monitor possible unfair trade practices** which benefit **foreign wind manufacturers**. This will involve close **scrutiny of potential subsidisation** of wind-related products imported into the EU. The EU is also to use measures provided for by the **Foreign Subsidies Regulation** in order to hamper these unfair trade practices.

#### 5. SKILLS

As a part of the package, **large-scale skills partnerships for renewable energy and for offshore renewable energy** are encouraged to identify – as quickly as possible – those EU programmes and skills initiatives that would offer the **best framework** for the implementation of projects that enable **mapping of the skills** needs in the sector.

In addition, **NZIA will facilitate the launch of European net-zero industry skills academies** designed to support Member State actions to upskill and reskill workers. These academies will develop learning content and materials that they make available to education and training providers in the Member States to meet the demand for skilled workers in net-zero industries.

#### 6. INDUSTRY ENGAGEMENT AND MEMBER STATE COMMITMENTS

To scale up wind deployment and manufacturing capacity in the EU, the Commission has invited **Member States and wind industry representatives** to sign up, before the end of 2023, to **voluntary commitments as part of a wind charter**.

The objective of the charter, which builds on this action plan and on its policies, is to **align and swiftly implement the actions of the Commission, Member States and industrial stakeholders**, while demonstrating a common and coordinated effort to **improve the enabling conditions** for the European wind industry.

#### Conclusion

The European Wind industry has been in need of **more predictability** and a **clearly visible, solid project pipeline**. It has been lacking **a robust business model** that ensures appropriate profitability, access to finance to grow and attract investors and **expand its role** in

moving the EU closer to its climate goals. Additionally, the Wind industry needs **expanded and strengthened grids to integrate its energy** while also requiring **fair competition**, devoid of heavy subsidies from third countries which seek to obscure and undercut the market.

The **Action Plan** contained in this new wind package seeks to address these issues through its **six-pillar approach**. The Commission is now calling on **Member States and the European Parliament to endorse the plan** and begin the implementation process.



# Delivering on the EU offshore renewable energy ambitions

## OVERVIEW

In tandem with the **Wind Power Action Plan**, the European Commission has also issued a [Communication on Delivering on EU offshore renewable energy ambitions](#). Although not legally binding, the Communication outlines the **Commission's** ongoing **commitments to offshore renewable energies**, evaluates the impact of existing policy in this area and proposes **next steps** for bolstering EU offshore renewable energy.

## NEW AMBITIONS FOR OFFSHORE RENEWABLE ENERGY

Significant progress has been made on ensuring the long-term sustainable development of the offshore renewable energy sector since the Commission published its [strategy on harnessing the potential of offshore renewable energy](#) in **November 2020**. The actions proposed therein have been **largely implemented or are well underway**, supported by complimentary legislation in the **Fit-for-55 package and European Green Deal**. The Commission has reaffirmed its commitment to the actions set out in the strategy but has also stated its intent to build upon these actions to **enhance efforts** in a bid to meet the new offshore ambitions.

## HOW THE COMMISSION SEEKS TO ACHIEVE OFFSHORE RENEWABLE ENERGY TARGETS

The Commission has detailed its commitment to ensuring greater **cross-border and regional cooperation** for improving offshore renewable energy infrastructure. Via the **revised TEN-E Regulation**, a conducive framework has been put in place for cross-border co-operation. It has enabled the EU to move towards an integrated and efficient offshore and onshore grid, including **hybrid projects interconnecting Member States** and offshore wind projects. The Commission has also confirmed that **all actions in the 2020 strategy concerning the regulatory framework**

**are to be completed once all Electricity Market Design proposals are adopted.**

A further commitment in the 2020 strategy was to **begin work on amendments to the Commission Regulation (EU) 2016/1447 on requirements for grid connection** of high voltage direct current systems and direct current-connected power park modules (HVDC Network Code) to ensure that it is fit for purpose for future developments in offshore networks. This work **is well underway** through the **Electricity Stakeholder Committee**.

## GOING FORWARD

The Commission's focus going forward includes publishing **guidance for cost-benefit analysis and cost sharing in close consultation with Member States**, Transmission System Operators (TSO), the European Union Agency for the Cooperation of Energy Regulator (ACER), and National Regulatory Authorities (NRA).

This guidance will cover both the **development plans for offshore networks** in various sea basins and **project-level infrastructure** for cross-border offshore grid projects. The aim is to **provide principles for ENTSO-E's** improvement of future plans and to **support discussions on potential cross-border projects**, ultimately promoting offshore renewables. Additionally, efforts are underway to **enhance the regulatory framework for offshore hybrids** and joint projects.

The Commission also plans to continue using **High-level groups for cooperation and coordination to accelerate offshore asset deployment**, considering the interests of various stakeholders, such as TSOs, NRAs, RES developers, and Member States.

This aims to facilitate the **creation of offshore bidding zones** and mitigate risks associated with hybrid offshore projects. Furthermore, the Commission will promote **coordination** among Member States for the **publication of offshore renewable energy auctions**, encouraging the regular publication of auction schedules and the **convergence of auction criteria**. These measures align with the Wind Power Action



On infrastructure resilience, the Commission has committed to **seeking ways of strengthening and ensuring the resilience of offshore renewable infrastructure**, stepping up cooperation between Member States, with the support of relevant agencies, and **developing cooperation on cybersecurity** in the offshore domain with like-minded non-EU countries.

## CONCLUSION AND OTHER COMMITMENTS

The communication contains **several other commitments** from the Commission which seek to bolster offshore energy production. These include:

- **Fostering research and innovation** in order to ensure further long-term sustainable development of offshore renewable energy infrastructure. This is to be achieved by initiatives like the **revamped SET plan**
- **Developing supply chains and skills** in order to reduce labour shortages. The Commission has outlined its commitment to **allocating resources** towards relevant **training and skill development programs** across the Union
- Ensuring **strong partnerships** with **industry bodies** and **third countries** in order to ensure an **uninterrupted supply of critical raw materials** while promoting **circularity** in the disposal of these materials

## ACCELERATING PERMITTING

On accelerating permitting, the Commission has affirmed its commitment to the following: The Commission will **strengthen support** to national authorities in the implementation of the provisions to **accelerate permitting procedures through CA RES** under the competent authorities in charge of permitting under the TEN-E Regulation, including through providing technical assistance to Member States.

The Commission will also support Member States in implementing the provisions on accelerating permitting for all grids necessary to integrate renewable energy, mobilising the Single **Market Enforcement Task Force (SMET)** as necessary.

## SPACIAL PLANNING AND INFRASTRUCTURE RESILIENCE ON SPACIAL PLANNING

The Commission aims to align Maritime Spatial Plans (MSPs) with increasing offshore renewable energy (ORE) targets and sea-basin ambitions, **transitioning from national MSPs to regional MSP planning**.

This transition will ensure **sufficient sea space** for offshore renewable ambitions while considering **marine economic activities, environmental objectives, nature protection and restoration goals**. Additionally, the Commission will provide **support to coastal regions, EU outermost regions, and islands** to harness their offshore renewable energy potential.



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