



Brussels, March 28th, 2018

Federal Minister Elisabeth Köstinger  
Federal Ministry of Sustainability and Tourism  
Stubenring 1  
A-1010 Vienna

**Object: The Austrian Presidency - A driving force for Europe's industrial leadership in renewables**

Honorable Federal Minister, dear Ms. Köstinger,

The European Union is at a crossroads, with the ambition of bringing its energy and climate transition to the next level. The current negotiations on the Clean Energy Package will be a cornerstone to unlock EU's global leadership in clean technologies, and make it a social, economic, and industrial success.

Renewables are the cheapest source of energy today and offer an increasingly cost-efficient option to reach Europe's climate and energy goals. The sector is also very promising in terms of economic growth: our industries employ 1,1 million people (EurObserver 2016) and could employ up to 3 million people by 2030 according to the European Commission's impact assessment. The energy transition will also be the backbone of Europe's next industrial revolution. It will drive the decarbonization of key sectors of the economy such as transport and buildings creating new business models through the uptake of key technologies such as digitalization and storage.

To grasp these pending opportunities, further efforts are needed, and a strong political commitment will be key.

While controlling public expenses remains key priority for several Member states, it is crucial to direct our future investments towards clean technologies, and the jobs of the future. We must remove existing subsidies to inflexible and polluting conventional generation capacities, which increase the cost of the energy transition and hindering the penetration of more flexible assets such as renewables, demand response, or storage.

Austria has the historic opportunity to drive this commitment. The Austrian presidency can create momentum for the energy transition towards a sustainable future for Europe.

During the Council presidency, you will not only be a moderator but also a key driver to convert Europe's energy and climate commitments into an industrial success. In this pivotal position, Austria can play a key role to achieve an ambitious and forward-looking agreement on the Clean Energy Package.

To back up the future of a competitive industry of renewable energy sources, the following requirements will be crucial:

- Support ambitious and reliable targets of at least 35% renewable energy by 2030 and national commitments to create a stable environment for investments
- Maintain priority access and dispatch for all existing installations, for small-scale installations and demonstration projects post 2020, until power markets transition from a fossil and nuclear baseload to a renewable baseload
- Support the uptake of self-consumption in Europe. It will be at the core of a consumer-powered Energy Union, and become an integral part of the future energy system driven by sector coupling, the uptake of electro-mobility and decentralization of our energy production
- Defend the rigorous CO<sub>2</sub>-criterion of 550gCO<sub>2</sub>/kwh for capacity mechanisms to ensure that capacity markets do not maintain an inflexible power market, but instead guarantee the eligibility and reward of flexible renewable sources
- Provide more visibility to renewable heating and cooling and define ambitious targets and policies for this crucial sector for the effective decarbonisation of the EU by 2050
- Support a strong carbon price, providing the needed long-term signals for further investment and innovation in clean technologies in Europe

Austria has shown great ambition as a leader in renewable energy, we believe that your presidency should be an opportunity to deliver on Europe's energy transition.

Yours faithfully,



Philippe Dumas, Secretary General, EGEC



Marcel Bial, Secretary General, ESTELA



Thomas Nowak, Secretary General, EHPA



Rémi Gruet, CEO, Ocean Energy Europe



Pedro Dias, Secretary General, Solar Heat Europe



James Watson, CEO, Solar Power Europe



Jean-Marc Jossart, Secretary General, AEBIOM



Susanna Pflüger, Secretary General, EBA



Paola Mazzucchelli, Secretary General, EUREC



Dörte Fouquet, Director, EREF