



FOLKETINGET

Frans Timmermans
Executive Vice-President
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**Reflections from the Committee on Climate, Energy
and Utilities of the Danish Parliament on the
forthcoming strategy on offshore energy.**

Letter to Executive Vice-President Frans Timmermans

22 June 2020

Dear Mr. Timmermans,

The Committee on Climate, Energy and Utilities of the Danish Parliament would like to express its strongest support for the European Green Deal and the Commission's intention to have the transition to a climate-neutral economy at the core of EU's recovery plan after the covid-19 pandemic.

J.nr.: 20-000458-2

The Commission's priorities correspond well with Denmark's ambitious climate policy including the targets of reaching 70 percent reduction of greenhouse gas emissions by 2030 and climate neutrality by 2050. For the committee, it is vital that the EU takes global lead in order to meet the objectives of the Paris Agreement.

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With this letter, the committee would like to draw your attention to the role of offshore energy in reaching the EU's climate targets, in particular the importance of modelling the costs of offshore wind.

The Committee has noted that offshore wind is set to play a major role in reaching the EU's climate targets. In a report from 2018, the European Commission has estimated that Europe needs between 200 and 450 GW of offshore wind by 2050 in order to realize the aim of climate neutrality.

In other words, the Committee identifies offshore wind as a crucial pillar in the energy mix of even more EU Member States than today. This demand could be driven by PtX technologies, which could help decarbonize sectors such as heavy transport and heavy industry. The Committee notes that The North Seas Energy Cooperation could play an important role coordinating this expansion, as it relates to issues like maritime spatial planning, coordination of tenders and identifying regulatory barriers.



As a global leader in the field of offshore wind, the Committee finds Denmark in a position to expand the offshore wind capacity significantly. The Committee sees a great potential in the expansion of offshore wind, which will help ensure that 55 percent of the nation's energy demand is covered by renewable energy by 2030.

The Danish Government has recently published the first initiatives in an upcoming climate plan, which included two energy islands, ushering in a new era for offshore wind energy in Europe. The Committee notes that while offshore wind farms traditionally have been built as individual non-connected entities, energy islands can serve as a hub for electricity generation for the surrounding wind farms as well. This could be done by collecting and distributing the electricity between countries connected by an electricity grid. Energy islands could help Denmark lower both national and EU-wide emissions, when increasing export of renewable electricity to other countries both in the North Sea and in the Baltic Sea. For the Committee, this reaffirms the importance of modelling the costs of offshore wind for the EU overall.

Modelling costs of offshore wind

In recent years, we have seen that many low and zero emission technologies have matured and become cost-effective at a rapid pace, which has transformed the business case for investing in low and zero emission technologies. This is also the conclusion of for example the IEA's Wind Energy Outlook 2019 that in addition expects further significant cost reduction of offshore wind energy.

For the Committee, it is therefore vital that the Commission ensures the inclusion of these developments in scenario analyses by continuously and systematically updating the modelling assumptions to reflect recent developments in costs and technological advances. If the relative costs of clean technologies and conventional technologies are not accurately reflected in scenario analyses, we risk sidelining technologies that otherwise could deliver better solutions for the green transition.

The Committee finds it positive that the Commission has taken initial steps to address this issue by initiating the development of e.g. the new POTEnCIA-model. The open and inclusive approach taken by the Commission holds great potential for the future modelling in the EU.



The Committee encourages the Commission to consider these recommendations, as it prepares to present a strategy for offshore energy in the fourth quarter of 2020.

Yours Sincerely,

Rasmus Helveg Petersen
Chair of the Committee on Climate, Energy and Utilities
The Danish Parliament