

**EU – MEDITERRANEAN – GULF  
RENEWABLE ENERGY CONFERENCE**

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Statement by

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Spain

*Initial salutation*

Dear Ministers, authorities and participants.

I would like to start thanking the European Commission for its hospitality to host this Conference on the EU-Mediterranean-Gulf renewable energy projects.

It is a pleasure for me, as Spanish State Secretary for Energy, to participate in this high level conference and share the experience of the Spanish renewable sector.

*A timely conference*

This conference could not take place in a better moment neither joining more relevant participants.

Energy is today an increasing concern and a common challenge. Over the last year, oil prices have fallen from 150\$ per barrel to 40\$, and bounced back to current levels at 70\$. Energy consumption is coming back to positive rates of growth. Once again, energy is both moving in advance and overshooting the economic cycle.

Energy concerns have proved to be founded on deeper roots than initially thought. They have survived the economic crises and once the recovery starts taking place, energy concerns will reappear pressing even stronger than before.

Cooperation in the field of energy is not a choice. Upstream, energy sources are geographically concentrated. Transport and distribution infrastructures require most of the times cross-country agreements. Energy demand and prices may be local, but they are embedded in traded goods and services. Finally, air pollution emissions, a sub-product of energy consumption, are the clearest

example of multilateralism. It does not matter where they come from because greenhouse gas emissions harm all countries alike.

When cooperation like in this case is mandatory, neighbourhood is an excellent opportunity. It helps to tackle the problems in a more efficient and comprehensive way. The Mediterranean Area provides an unrivalled set of opportunities: historical linkages, cooperation structures as “The Barcelona Process- Union for the Mediterranean”, and initiatives of broader scope as IRENA, exceptional rate of insolation, a growing electricity demand, and so on.

There is also a strong need to seize the moment. All over the world, stimulus packages have been successful in stabilising aggregate demand. They will pay an additional dividend if they increase the potential output in the long run. Renewable Energy projects are well suited to fulfil both requirements.

We have two key elements for the success of cooperation in the Mediterranean and Gulf Area: the Lisbon Treaty and the next Copenhagen Summit.

*Spain experience in the field of renewable energies*

In Spain we use to say that a necessity may become an opportunity. Our situation in terms of energy dependency is especially difficult: about 80% of our energy consumption is imported, and all of it corresponds to fossil fuels. That explains why Spanish Government has supported renewable energies from the beginning. Together with energy efficiency, they have been become the key tools to meet our main energy policy targets: competitiveness, security of supply and sustainability.

Accordingly, Spain is among the leading countries with regard to installed capacity in technologies such

as wind, photovoltaic, solar thermal, solar thermoelectric as well as biofuels.

47 out of 93 GW of electricity installed capacity are renewable facilities. Throughout 2009, renewable sources have provided 25% of total electricity production.

Our wind sector is of remarkable importance: the total installed capacity is now above 17 GW, a 10% of the total electricity production, and it is expected to reach around 40 GW by 2020.

Photovoltaic, solar thermal and solar thermoelectric facilities have displayed an impressive rate of growth. So far, Spain is the only European country where a solar thermal plant has been exploited commercially with success.

Let me share with you some short remarks from our experience in the development of the renewable sector in Spain which summarizes our approach:

- Public initiatives are a key variable at the early stages of the deployment of the sector. In order to achieve a sustainable development, private investment must eventually take over.
- The learning curve of the renewable technologies has repeatedly beaten expectations. A level of cost optimistically forecasted two years ago is today labelled as “expensive”. Public initiatives have been useful to achieve a critical mass and push technologies to move forward along the learning curve.
- Feed-in-tariff mechanisms have provided a reliable and stable regulatory environment. They have to be flexible enough to incentive the investment in existing technologies and let new technologies to start-up.
- A variety of technologies is needed to satisfy simultaneously the set of objectives. Renewable technologies disposal is greater in off-peak hours. Accordingly storage facilities as pumping systems

are useful to make renewable grid access easier.  
A balanced generation mix must be preserved.

- Renewable technologies have proven their capacity to become price-competitive, reduce energy dependency and CO2 emissions where the EU has shown strong commitments. But they have also other positive effects that must be taken into account: development of rural economies, promotion of technological spillovers, creation of export-led industries, etc.
- In order to achieve the target of 20% of renewable energies in total primary consumption, the development of renewable technologies has to be combined with energy efficiency and saving measures.

*General considerations on MSP and other initiatives*

With these remarks, I have tried to share the experience of the renewable sector in Spain. We have faced a set of challenges that will be soon

familiar to most countries. We expect to have learned some useful ways to solve them.

The Mediterranean Solar Plan and other regional initiatives are remarkable in ambition and scale. Let me say they are also ventures less risky than they used to be: it is sure now that renewable technologies will eventually become a competitive source of energy in the near future.

In addition, the Mediterranean Solar Plan will provide a clean and renewable energy supply while contributing to the development of the Mediterranean area. The Directive of Energy from renewable sources allows the inclusion of imported green electricity from third countries in order to achieve the European renewable target of 20% by 2020. Therefore, all Mediterranean countries will surely benefit from the success of these projects.

The scale of the project suggest that we should think about it as a process with two components: the first

one, building renewable capacities in the Southern Mediterranean area to attend local needs; and the second one, exporting renewable energy to Europe, for what the building of new infrastructures or the developing of the technology that will allow for a significant increase in the grid capacity is needed. Currently, the only submarine link between Africa and Europe are the two connection lines between Spain and Morocco. The current commercial capacity is around 900 MW for the transmission of electricity.

The Mediterranean Solar Plan will be a centrepiece of the next Spanish Presidency of the European Union. Hopefully, on May 2010 Spain will host in Valencia, a beautiful, Mediterranean and sunny city, a conference regarding Mediterranean projects of renewable energies, preceeded by a meeting of the European Investment Bank where the financial issues of investment projects will be discussed.

The success of these projects will depend on the involvement of all the stakeholders: governments,

utilities, energy producers, engineering and construction companies, as well as financial institutions. Unlike most Mediterranean goods, energy has been historically a local product. There is no reason to keep disconnected Mediterranean and Gulf energy markets anymore.

*Closing Paragraph*

Let me finish by thanking again the organisation of this event for letting me participate on it.

I am sure you will attend a fruitful conference.

Thank you very much.