



## Atlantic Arc Commission

# Conclusions of the Marine Renewable Energy Working Group Meeting

Tuesday 8 March 2016 - Brussels

### Participants:

**Member Regions:** Andalucía, Aquitaine-Limousin-Poitou-Charentes, Bretagne, Cantabria, Centro, Galicia, Navarra, Normandie, País Vasco, Pays de la Loire.

**CPMR:** Alexis Chatzimpiros, Adviser for Energy and Climate.

**Invitees:** Stijn Billiet, European Commission - DG MARE

**Atlantic Arc Commission:** Pauline Caumont, Executive Secretary & Emmanuel Maniscalco, Policy Analyst

### I. Welcome address and introduction, Jean-Michel Lopez, Brittany Region

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**Jean-Michel Lopez**, Director in charge of the coordination of MRE at the Brittany Region, Coordinator of the Marine Renewable Energy Working Group, welcomed the participants and thanked DG MARE for accepting the invitation. He first recalled the importance of the development of MRE for the Atlantic Regions. Even though developing MRE is very challenging (technical, financial, social and environmental issues), the Atlantic Regions have made the choice to support the expansion of this alternative and cleaner energy in order to help achieving the ambitious carbon emission reduction targets, but also to create jobs. He also stressed the necessity for the Atlantic Arc Commission's (AAC) member Regions to pool their efforts and work closely with the European Commission to make sure that their voices are heard.

### II. Past activities of the Working Group, Pauline Caumont, Atlantic Arc Commission

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**Pauline Caumont**, Executive Secretary of the Atlantic Arc Commission, thanked the European Commission for participating in this meeting and noted that Marine Renewable Energy (MRE) is a topic high on the EU agenda. She recalled that Brittany took over the Presidency of this Working Group from Cantabria in 2013. The activities of this Working Group already gave concrete results, notably through the Atlantic Power Cluster (APC) project, which was launched in 2012 and closed in 2014. The partners of this project are keen to work on a follow-up project.

The last meeting of the Atlantic Arc Commission's MRE Working Group took place in April 2015. It was then decided to set up a database gathering all the ongoing MRE projects in the Atlantic. The contributions compiled enabled the executive secretariat to elaborate an [interactive map](#) that was to be presented during this meeting.

She finally mentioned the [Declaration](#) adopted by the Atlantic Arc Commission members in September 2014 in Umeå in reaction to the [Communication of the European Commission on Blue Energy](#). The following steps of this Declaration must be the drafting of concrete political recommendations.

### III. State of the art on MRE in Europe, Stijn Billiet, European Commission - DG MARE

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**Stijn Billiet**, from DG MARE (European Commission), stated that the European Commission is strongly supportive of the development of MRE for several reasons listed in his [PowerPoint presentation](#). MRE is a sector with huge potential in which the EU is still a global leader. Besides, it is a very predictable, secure and cleaner way of producing energy. In the current legislative framework, this sector should be seen as an opportunity to reach the ambitious targets set by the EU (80 to 95% of energy coming from renewable sources by 2050). However, many obstacles are still to be overcome (demonstration of devices is costly and risky, deployment requires high up-front capital spending, complex licensing and consent procedures, etc.). The sector is falling into a vicious circle because of a lack of guarantee: “project risk is too high to attract commercial funding for demonstration projects while these projects are needed to reduce risk”. Despite the risks, the European Commission has been showing continuous support to the sector. Last year, €41 million were earmarked for the sector under the HORIZON 2020 programme. ERDF cans also contribute: in Wales, €100 000 from structural funds were devoted to MRE; in Cherbourg (Normandie), €100 million from ERDF were earmarked for the redevelopment of harbour infrastructure with view of making Cherbourg the hub for deployment of MRE in the region.

Then, he presented the Ocean Energy Forum, which was created as a result of the [Communication of the European Commission on Blue Energy](#). The Ocean Energy Forum brings together key stakeholders and aims at coming up with concrete solutions to overcome the various challenges. In this perspective, three workstreams were set up:

- Technology
- Finance
- Environment and consenting

The main outcome of the Ocean Energy Forum will be the roadmap on ocean energy. A draft roadmap was presented in Dublin in October 2015 at the request of the European Commission. The final version of the roadmap should be ready by November 2016. The roadmap includes key recommendations for each workstream (see [Stijn Billiet's PowerPoint presentation](#)).

One of the challenges the European Commission is putting a lot of effort into is financing. The European Commission should soon launch an investment platform for ocean energy together with the European Investment Bank within the Juncker Plan.

As a conclusion, **Stijn Billiet**, claimed that the Commission is keen on learning more about financing structure of the projects.

#### *Discussion with participants*

**Yvan Guiton**, from Brittany Region, noted that the development of the MRE sector in France was linked to harbour installations, which are funded by regional funds. He claimed that the Commission should help setting up a common funding scheme for MRE projects.

**Pauline Caumont** noted that the Juncker Plan platform dedicated to ocean energy could be used.

**Stijn Billiet**, from DG MARE, recalled that one of the aims of the Atlantic Strategy was to improve the coordination between the Atlantic Regions by defining strategic priorities to channel finance. The EC also wants to set up an **investment platform** within the Juncker Plan to pool small project together to unlock finance.

**Mar Martín Raba**, from the Region of Cantabria, stressed out the fact that the ERDF cannot be used for the development of infrastructures in the “*more developed Regions*”. Wales can use ERDF for MRE because they are in the category of “*less developed Regions*”.

**Stijn Billiet** pointed out that within the Ocean Energy Forum's technology workstream, it was recognised that pooling knowledge and wider testing were needed in some areas in order to reduce costs. This is notably one of the aims of The European technology and Innovation Platform for Ocean Energy (TP Ocean). He mentioned the example of Sweden which has pooled wave developers together.

**Mar Martín Raba** added that the support to the development of MRE depends on political priority. In Spain, one government strongly supported it and the next one cut all subsidies. This uncertainty is clearly detrimental to MRE development.

Regarding the existing finance schemes, **Stijn Billiet** noted that the Horizon 2020 programme is particularly adapted to the research phase. However, there is a gap between the funding of the research phase and the pre-commercial and promotion phases. This gap shall be taken into account within the [NER300 programme](#) and the structural funds for future reference.

**Stéphane Peyhorgue**, from Aquitaine – Limousin – Poitou-Charentes Region, observed that the only rule applying to financial support to the development of MRE are the guidelines for State aids. However, the strategy can differ from one country to another. For instance, the UK's MRE sector benefits from high feed-in tariffs with no support beforehand. In France, the State does not provide any support before the devices are installed and produce energy. The price also varies from one country to another depending on the national support.

**Stijn Billiet** stated that according to the Forum outcomes, the French model appeared to be better suited for industrials.

**Itxaso Gómez Lambarri**, from Euskadi, pointed out that feed-in tariffs in Spain are too low and that the MRE sector lacks visibility.

**Mar Martín Raba** stressed that the investment platform for ocean energy **Stijn Billiet** referred to could be a key solution for the Spanish Regions. Considering that the Spanish Regions do not have ownership of the projects presented - which are borne by the developers – she asked who/which structure would be part of this Platform. Can Regions join?

**Stijn Billiet** first insisted on the fact that the aim of the platform is to reduce administrative costs and share risks. However, this platform is project-related thus private sector driven. The only way for Regions to get involved would be to invest in the platform.

Then, **Pauline Caumont** invited the Region of Brittany to raise the issue of de-risking.

**Jean-Michel Lopez**, from the Region of Brittany, noted that one of the main obstacles to the development of MRE in France is the lack of de-risking strategies carried out by the State. When the State issues a call for tenders, it only selects a zone without bearing the de-risking costs (environmental assessment impact, device testing, exact potential, etc.). These costs should be taken care of by the State in order to avoid duplication of effort by the industrials applying to the call.

**Stijn Billiet** claimed that the European Commission share this idea. This principle is already being applied in Scotland where a national structure prepares a strategic environmental assessment plan as a planning tool for MRE development. However, this decision can only be taken by the Member States.

**Etienne Pourcher**, from Pays-de-la-Loire Region mentioned that in France, the Regions have prepared a mapping identifying zones with industrial potential.

**Itxaso Gómez Lambarri** noted that the Spanish Regions face the same problem.

**Zoé Buyle Bodin** asked for precisions regarding the post-2016 period and after the Ocean Energy Forum lifetime. **Stijn Billiet** replied that priority shall be given to the implementation of the measures mentioned in the roadmap rather than coming up with new initiatives.

**Stéphane Peyhorgue** asked which third countries are interested in the EU ocean energy market. **Stijn Billiet** mentioned the USA, China, Japan and South-Korea. They are key countries with whom the EU has strong relations.

#### IV. Information on the consultation on Renewable Energy Directive II (“REDII”), Alexis Chatzimpiros, CPMR

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**Alexis Chatzimpiros**, Adviser for Energy and Climate at the CPMR, presented the main outcomes of the CPMR contribution to the consultation of the new Renewable Energy Directive (RED II). He first gave some background elements about the consultation. This new Directive will cover the post-2020 period. The contributions received from the CPMR member Regions were in line with what was expected. Apart from the member Regions’ contributions, the political positions of the CPMR and of the geographical commissions were also taken into account.

He presented the four key messages of the CPMR contribution:

- Empower governance within the new Directive;
- Renewable energy markets in peripheral and maritime regions needs to be strengthened;
- Cooperation at macro-regional level for financing support schemes and programmes would be helpful;
- Community ownership and citizens should be empowered.

He finally noted that the timeframe for new directive has not been published yet. It should be published before summer. A second round of consultations is expected for the second half of 2016.

**Pauline Caumont** took this opportunity to recall that the aim of this meeting was to identify relevant questions regarding MRE in order to pass clear messages to the European institutions. Even though the official online consultation period is already closed, there is still room to send messages.

More information is available on [Alexis Chatzimpiros’ PowerPoint presentation](#).

#### V. Presentation of the interactive map, Emmanuel Maniscalco, Atlantic Arc Commission

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**Emmanuel Maniscalco**, Policy Analyst at the AAC, presented the [interactive map of the MRE projects developed in the Atlantic Arc Commission’s member Regions](#). The idea of mapping the MRE projects developed in the AAC Regions was born during the last meeting of the AAC’s “MRE” Working Group in April 2015. The final version of the map is organised by type of energy. This map can be used as a political tool to show the great potential of the Atlantic in terms of MRE but also to highlight the needs and specificities of the Atlantic Arc Commission member Regions in this field.

He briefly presented how the map works and what can be changed in terms of data and shape. He invited the members to send feedbacks and suggestions as soon as possible. So far, 10 Regions out of the 18 AAC member Regions have sent the required information. He invited the 8 Regions that have not sent the information to do so shortly.

Some Regions raised their concern about the publicity of some data (notably the cost of the projects and information about the EU funding). It was then decided to create a new version without financial information. This new version is available from the following link: [www.google.com/maps](http://www.google.com/maps).

## VI. Round table on the development of Marine Renewable Energy in the Atlantic Arc

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**Pauline Caumont** introduced this session by recalling that, as announced in the invitation email the member Regions received, the aim of the meeting was to agree on common messages.

### *Questions of interest on the Consultation on the REDII*

First, **Emmanuel Maniscalco** briefly presented the document [Questions of interest on the Consultation on the REDII](#) that was circulated among the members ahead of the meeting. This document gathers the questions of the consultation considered as particularly relevant with regard to MRE. The aim of this exercise was to come up with common answers. In total, 8 questions had been identified.

**Question 3: Stéphane Peyhorgue** noted that it is still too early to define precise objectives for now. All the participants agreed to say that it was important to have a long-term vision though.

**Question 4:** The participants regretted that there is no precision about the support schemes<sup>1</sup> that are being referred to (it could be State aid, feed-in tariff, etc.). They also regretted that although the Renewable Energy Directive (Directive 2009/28/EC) allows Member States to use support schemes, the guidelines that were published afterwards say the opposite.

**Mar Martín Raba** mentioned the PRIMA initiative in the Mediterranean which could lead to the creation of a cooperation programme thanks to [article 185 of the Treaty on the Functioning of the European Union \(TFEU\)](#). She claimed that the same initiative should be launched in the Atlantic.

**Question 6:** The participants agreed that one of the key issues is de-risking, which costs should be borne by Member States.

**Question 10:** No feedback yet.

As questions **14** and **20** are very long, it was decided that the members would send their contribution individually in writing after the meeting.

**Question 23:** The participants noted that there is a contradiction between the environmental rules and the connection of the machines to the grid (e.g. Natura 2000 areas). They also noted that there is a need for more investment in smart grids in order to be in line with maritime spatial planning principles.

**Question 26: Pauline Caumont** stated that the report that was drawn up in the framework of the Atlantic Power Cluster (APC) project could be of use with regard to public acceptance.

**Zoé Buyle Bodin**, from the Region of Normandie, noted that a project to work with schools on MRE awareness is being developed in Normandie.

The participants stressed the fact that public acceptance comes with public enthusiasm and that an effort should be made in order to show people that the development of MRE is a choice they can be part of. They also stressed that a stronger role should be given to regional authorities in terms of coordination and consenting.

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<sup>1</sup> In the Directive 2009/28/EC, « Support schemes » are defined as: “any instrument, scheme or mechanism applied by a Member State or a group of Member States, that promotes the use of energy from renewable sources by reducing the cost of that energy, increasing the price at which it can be sold, or increasing, by means of a renewable energy obligation or otherwise, the volume of such energy purchased. This includes, but is not restricted to, investment aid, tax exemptions or reductions, tax refunds, renewable energy obligation support schemes including those using green certificates, and direct price support schemes including feed-in tariffs and premium payments”.

**Pauline Caumont** then presented the main issues taken from section IV of the discussion paper that had been discussed during the meeting.

➤ **Clarification of the funding rules**

**Stéphane Peyhorgue** recalled that as regards the State aid system, there are 3 regulations: State aids for Energy, State aids for RDI and State aids for infrastructures dedicated to research or harbours. He stressed that – as already raised by Ocean Energy Europe – sufficient flexibility should be granted to Member States. MRE are considered as not mature enough hence fit for State aid. There should be an exception clause for floating offshore wind which is ineligible yet not mature enough.

➤ **Setting the objectives at an early stage to give more visibility to the industrial sector**

Industrials need perspectives. Some participants suggested that Member States should exchange information on calls for tenders and move towards a harmonisation of the system.

The participants also suggested that the 2016 Final Declaration of the AAC should include a message to support the Commission’s initiative of setting up an investment platform for ocean energy.

➤ **De-risking the planning process**

As discussed during the meeting, the participants consider that Member States should bear the de-risking costs.

## VII. Any other business

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**Frédéric Suche**, from the Brittany Region, invited the other member Regions to start identifying possible interlocutors from the European Parliament and from the European Commission in view of the future activities of this Working Group.

**Pauline Caumont** recalled that the European Parliament’s SEARICA intergroup is organising an event on the Atlantic next **14 June 2016**. It can be an opportunity to discuss this topic with MEPs. She also suggested that this Working Group should meet again on **20 April 2016 in Brussels**, in the framework of the maritime events organised by the CPMR General Secretariat.

**Emmanuel Maniscalco** announced that a background note on the “[Blue careers](#)” call for proposals would be circulated shortly.

**Jean-Michel Lopez** concluded the meeting and thanked all participants for their inputs. Political messages from the AAC will be drafted based on the minutes of this meeting. Invitation will be sent by the Executive Secretariat for next working group meeting on **20 April 2016** in Brussels.