



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate C - Renewables, Research and Innovation, Energy Efficiency
The Director

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Brussels,
ENER C1/GV/lb/ D(2012) 819045

Mr Christian Kjaer, CEO
EWEA - European Wind Energy
Association
Rue d'Arlon 80
B-1040 Brussels

Dear Mr Kjaer,

Thank you for your letter of 9 May 2012 regarding the reform of incentive schemes for wind power project in Italy, to which Commissioner Oettinger asked me to reply.

Thanks to the measures undertaken by Italy to implement the Renewable Energy Directive, over the recent years renewable energy production has significantly increased. This development, coupled with lower energy demand due to the economic slowdown, means that Italy is currently above the trajectory for achieving its binding national target of 17% renewable energy by 2020. In order to keep on track towards the 2020 target, it is essential for Italy to guarantee a stable, clear and predictable regulatory framework for renewable energy promotion.

Commissioner Oettinger has publicly welcomed the Italian government's plans to revise upward the national target for renewable electricity and to reform the incentive schemes in order to promote cost reductions. At the same time, he has highlighted that such reforms should strive to minimise disruption and confusion to investors and market players who are creating the jobs and growth that are urgently needed in these times of economic recession. Furthermore, it is important that Italy looks at non-cost barriers and administrative procedures that too often affect the competitiveness of renewable energy projects.

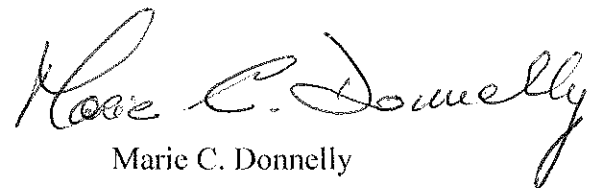
As discussed in the recent Commission Communication "Renewable Energy: a major player in the European energy market" (COM/2012/271), complicated authorisation procedures, the lack of one-stop-shops, the creation of registration procedures, planning processes that may take months or years and fear of retroactive changes to support schemes, increase project risk. Such high risks, particularly, in countries with stressed capital markets, result in a very high cost of capital, raising the cost of renewable energy projects and undermining their competitiveness.

In this context, the Commission plans to prepare guidance on best practice and experience gained on support scheme reform, to help ensure greater consistency in national approaches and avoid fragmentation of the internal market. Through the close monitoring of Member States' implementation of the Renewable Energy Directive, the development of guidance on support schemes and through cooperation with Member

States in the application of best practices, the Commission strive to ensure that stable and positive long term investment climate is created for renewable energy around the EU.

Thanks again for drawing our attention to the situation in Italy. I trust we have reassured you that these matters have our full attention.

Yours sincerely,



Marie C. Donnelly