

Jyrki Katainen
Commission Vice-President for Jobs, Growth, Investment and Competitiveness

Margrethe Vestager
Commissioner for Competition

Jonathan Hill
Commissioner for Financial Stability, Financial Services and Capital Markets Union

Miguel Arias Cañete
Commissioner for Climate Action & Energy

Brussels, 21 September 2015

Dear Commissioners,

The European renewable energy industry represented by the undersigned organisations strongly supports the European Commission's objective of ensuring a successful economic recovery driven by private investments.

In the global competition for quality investments, one of the European Union's key competitive advantages is the rule of law principle underpinning investor protection.

However, as we have highlighted during two recent seminars organised by the DG FISMA services¹, this principle has dramatically failed renewable energy investors.

The industry understands that renewable energy support mechanisms need to be adjusted over time to reflect declining technology costs, but retroactive changes are a misguided approach to this end. Over the past years, several Member States have enforced abrupt regulatory changes undermining the economic viability of existing projects. Moreover, certain Member States, having failed to properly verify the compliance of their support mechanisms with European State Aid rules, have used the resulting uncertainty as leverage in dealing with their own national industry.

In the absence of any tangible European instrument to protect their legitimate expectations, investors have resorted to legal challenges at national level and to international arbitrations². While many of these national and international law cases are still unresolved, renewable energy investments in Europe have halved in just four years – dropping from 120 \$bn to 65 \$bn from 2011 to 2014. In contrast, they have consistently grown in China – reaching more than 80 \$bn in 2014³.

The current uncertainty in the European renewable energy investment climate could ripple throughout the wider economy. This is why we call on you to adopt effective European measures, which would provide the much needed protection to our, and other economic, sectors.

We are at your disposal for any additional information you may require and look forward to hearing from you in due course.

Yours sincerely,



¹ *Treatment of EU investors in the Single Market: adding pieces to the puzzle?*, 19 June 2015 and informal DG FISMA – RES sector workshop on 6 May 2015

² *Retroactive and retrospective changes and moratoria to RES support*, March 2015, Keep on Track Project

³ *Global trends in renewable energy investment 2015*, Bloomberg New Energy Finance