



THE BUSINESS BREAKFAST EVENT




OPPORTUNITIES FOR GREEN BUSINESS IN REPOWERING THE EUROPEAN UNION

Summary Report

For the Business over Breakfast Event that took place on
13 January at the Saadiyat Rotana Hotel, Abu-Dhabi, UAE.

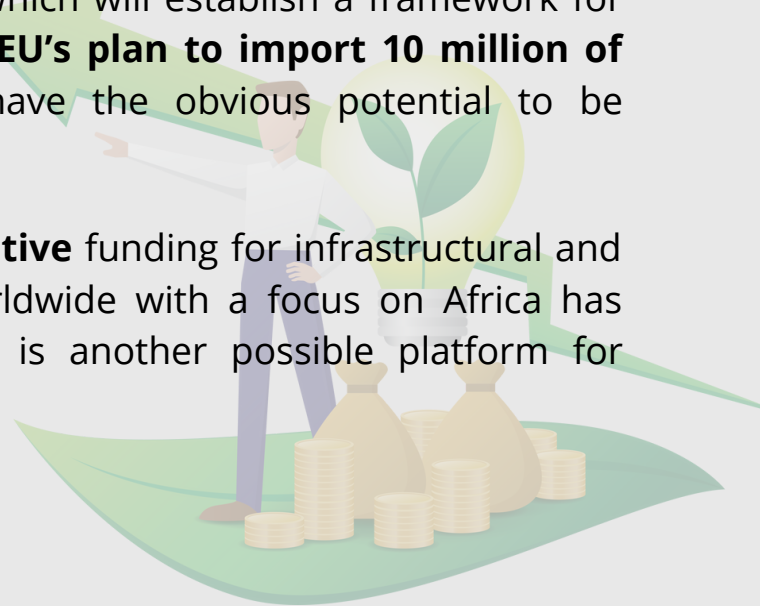


Opening Remarks by HE Andrea Matteo Fontana, EU Ambassador to the United Arab Emirates

- There is a huge potential opportunity for business generated by these EU initiatives in the **Green Deal such as REpowerEU**.
 - The role of the **private sector is key** to ensuring a safe, sustainable and affordable energy transition.
 - The **UAE and other GCC countries** are important actors in securing energy supply, particularly in the transition period (gas) but also in the longer-term sustainability context (green hydrogen).
 - In the past years, the UAE has taken clear steps to prepare the economy for the transition as well as for the post-fossil context.
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- **ADNOC** has decided to invest **USD 15 Billion** in a host of projects by 2030 which aims at accelerating its **low-carbon strategy**. And ADNOC's new gas processing and marketing company – ADNOC Gas has recently started its operations which are designed to unlock the full value of the UAE's vast natural gas reserves.
 - **Natural gas** will be a critical fuel in the energy transition context and ADNOC Gas through the significant expansion of its operations intends to be positioned to meet both local and international gas demand.
 - The company should also play a critical role in implementing ADNOC's LNG expansion plans including in international markets. With a capacity of above 3 Billion cubic meters per day, **ADNOC Gas** aims to serve domestic and international customers with expanding portfolio of gas products.

Opening Remarks by HE Andrea Matteo Fontana, EU Ambassador to the United Arab Emirates

- **Investments are key in the current energy transition context.** The UAE and other GCC countries are important players because of their **sovereign wealth funds investing all over the world** and they set premises for these investments. In this regard the increasingly clear focus on UAE investments in **green energy and sustainability** (both at home and abroad) is welcome.
- The UAE plans to invest **USD136 Billion in clean energy** to support the goals of climate neutrality to help achieve its commitments under the Paris Accord. This is a major element in the Net Zero by 2050 commitment taken by the country.
- From the **EU perspective helping energy transition** in developing countries is a key objective with a focus on Africa where the UAE is also very active. The UAE is increasingly present in the East African and Red Sea region through investment in transport infrastructure notably ports and often related to energy projects.
- In December the Abu Dhabi-based Al Nowais announced a **USD 1 Billion investment** in Egypt in two solar and wind projects with a total capacity of 1000 MW and considering further investment in North Africa (in partnership with DE and IT) to **produce green ammonia**.
- Similarly, during **COP27** the EU signed a partnership agreement with Egypt on hydrogen and renewable energy, which will establish a framework for long-term investments as part of the **EU's plan to import 10 million of hydrogen by 2030**. These efforts have the obvious potential to be complementary.
- Under the **EU's Global Gateway initiative** funding for infrastructural and energy transition-related projects worldwide with a focus on Africa has been significantly stepped up which is another possible platform for cooperation.



Presentation by Ms. Ditte Juul Jørgensen, Director General for Energy of the European Commission



- The world is in the midst of a truly **global energy crisis**, with **volatile energy markets skyrocketing prices around the world**.
- Core objectives of the **European Green Deal** still stands: reach climate neutrality by 2050 and, to get there, to reduce greenhouse gas emissions by 55% by end of the decade.
- Russia's war in Ukraine renewed the urgency to accelerate the clean energy transition.

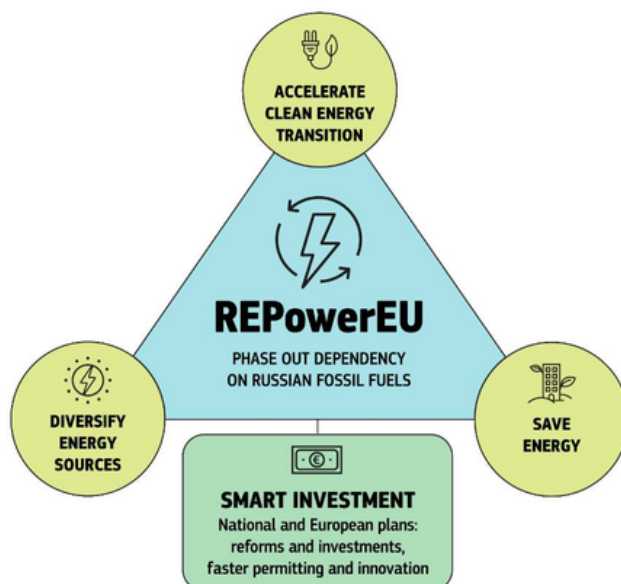
- The unprecedented energy crisis required a bold and fast response. But **Europe help up and is managing the crisis much better than many would have expected**.

REPowerEU and other measures adopted

- **REPowerEU** is our strategy to move away from Russian fossil fuels, become more self-sufficient on energy and speed up the clean energy transition.

Three pillars of REPowerEU:

1. **Reducing** consumption by energy efficiency and savings
2. **Renewable** energy is a critical energy source
3. **Replacing** the Russian fossil fuels with molecules from reliable suppliers

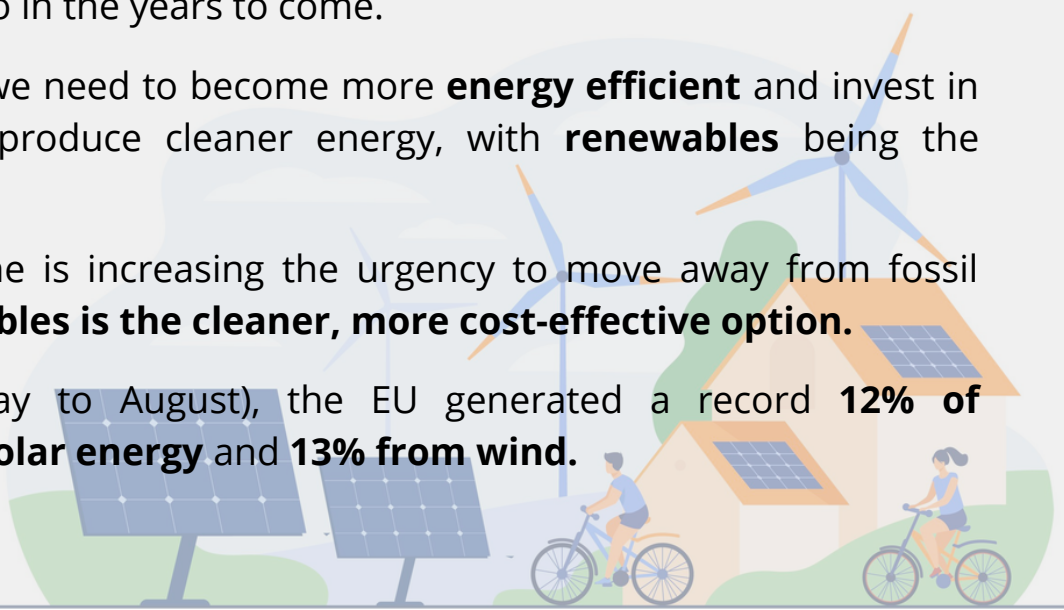


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- Over the past months, we have put in place measures to prepare us better for the winters to come and to protect against further disruption by Russia. These include:
 - **Gas storage regulation** (Member States to ensure gas storage facilities across the EU are filled to at least **80%** by last November and 90% in future years).
 - **Emergency market intervention to counter high electricity and gas prices.**
 - **Diversifying gas supplies**, engaging with more reliable suppliers around with world.

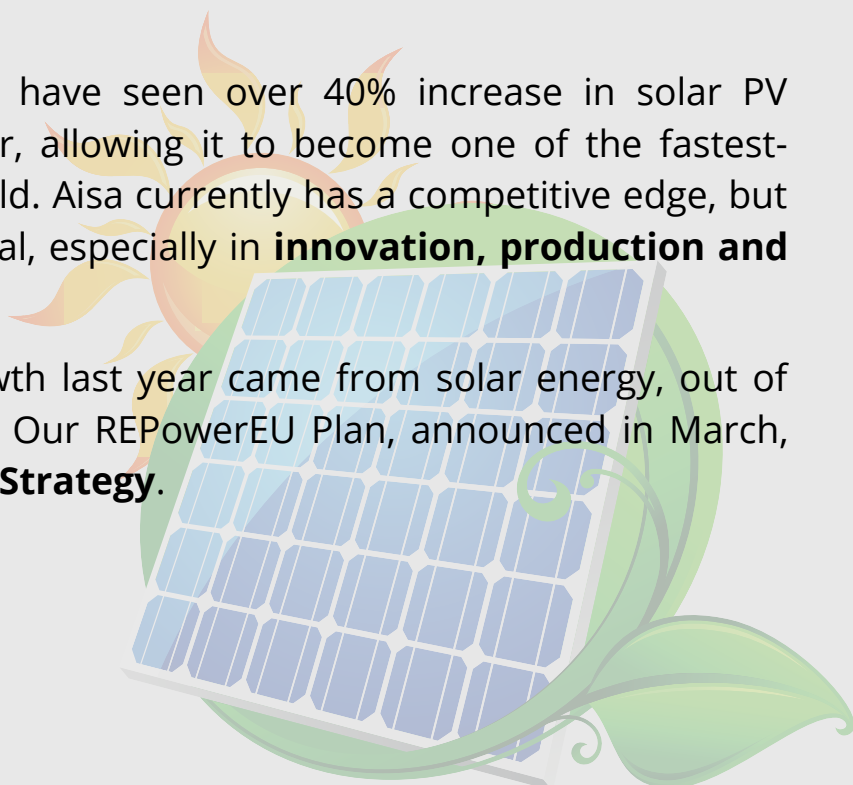
Focus on Renewables

- We also work on frontloading massive deployment of renewables which can shield the consumers from high prices and to some extent substitute our gas needs.
- Given that a major obstacle to investing more in renewables projects is the complex and time-consuming permit granting, we adopted a **temporary engagement regulation to accelerate permitting** helping renewables project to get off the ground as quickly as possible. This is coupled with a structural legislative change to make sure these procedures are simplified and shortened also in the years to come.
- In the long term, we need to become more **energy efficient** and invest in infrastructure to produce cleaner energy, with **renewables** being the game changer.
- The war in Ukraine is increasing the urgency to move away from fossil fuels, and **renewables is the cleaner, more cost-effective option.**
- Last summer (May to August), the EU generated a record **12% of electricity from solar energy** and **13% from wind.**



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- Ca. 38% of our electricity comes from renewables. It is estimated that in 2022, we added around 50% more wind and solar capacities than a year before. This year we expect to beat this record.
- In our REPowerEU Plan, we propose to increase our targets further:
 - 40% to 45% of **renewables** in the energy mix;
 - 9-13% **energy efficiency**;
 - 10 million more tonnes of production and imports of **renewable hydrogen** by 2030.
- To reach new 45% target we need to do more, and faster. This means **doubling the current installation rate** and reaching a total installed capacity of **1236GW** of renewable energy.
- This means around **69% by 2030** and **86% by 2050**.
- We need not only **legislation** but equally **investment** and a conducive **business environment**.
- The EU is already a **world leader in offshore renewable energy production and technologies** and there is much potential for further development.
- Over the past 15 years, we have seen over 40% increase in solar PV production (volume) per year, allowing it to become one of the fastest-growing industries in the world. Asia currently has a competitive edge, but the EU has incredible potential, especially in **innovation, production and job-creating potential**.
- Most of the renewables growth last year came from solar energy, out of which 2/3 was rooftop solar. Our REPowerEU Plan, announced in March, amongst others the **EU Solar Strategy**.



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- It aims to:
 - Double solar PV capacity by 2025 and install 600GW by 2030;
 - Oblige EU Member States to install rooftop solar energy on new buildings from 2026;
 - Set up a Solar Alliance to work with industry and interest groups to build a strong and competitive EU solar sector.
- Implementing the **REPowerEU plan** will need an **additional investment of EUR 210 billion until 2027** and EUR 300bn up to 2030.
- But this will pay off. It is estimated that the EU will save **EUR 92bn** of spending that has thus far gone into **importing oil and gas**.
- All this will create huge **opportunities for our companies**, but also for **companies in partner countries** that could help us through the energy transition.
- The bulk of these investments will be borne by private businesses, but public finance, including from the EU, strongly supports it. The EU has designed a **long-term budget** (to 2027) that **supports investments in projects that can help us to meet our climate and energy objectives**.
- The long-term budget is complemented by the post-COVID '**NextGenerationEU**', an unprecedented financing package of over **EUR 2 trillion**, to support the green transition.
 - **At least 30%** will need to be dedicated to clean energy projects, especially renewable energy and energy efficiency;
 - We are also implementing new programmes related to renewable energy projects. For example, "**Connecting Europe Facility-Energy**" for cross-border energy infrastructure and a "**Renewable Energy Financing Mechanism**" for the first-ever cross-EU tender for renewable projects. And the **Innovation and Modernisation Funds** based on revenues from the Emissions Trading System.

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- We have always been aware of the geopolitical risks of our energy dependence. **Energy security has always been a pillar of the EU Energy Policy** and an important co-benefit of the energy transition.
- In 2021, we estimated that **achieving the 2030 climate and energy policy objectives will require an increase in investment of approx. 2.1 percentage points of GDP annually** in 2021-2030.
- On the energy supply side, **over the next decade, investment in power plants will need to increase by more than 50%** compared to the 2011-2020 decade. This includes investments in new generating capacity as well as investments in upgrading of existing power plants.
- **Investments in power grids will need to more than triple during this period.** This includes investments in new infrastructure and upgrades to existing power grids (transmission and distribution).
- **Investments in industry will have to more than double** in order to deploy the new technologies necessary to reduce CO₂ emissions. Significant **investments will be needed also in the residential sector** to reduce and decarbonise energy consumption.
- Regarding the need for investment in gas infrastructure, details are important. For example, in September and October of 2022, the utilization of LNG regasification capacity was **below 60%**.
- This would suggest that no additional regasification capacity is needed, but bottlenecks are in the European transport infrastructure. In several countries (NL, BE, and some Baltic countries) utilization was **above 100%**. So Floating Storage Regasification Unit (FSRU) might be needed to alleviate shortages.
- FSRU are mobile facilities, so these investments would not lock in fossil fuels. However, it is clear that any new investment will have to be compatible with our decarbonisation roadmap.

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Conclusion

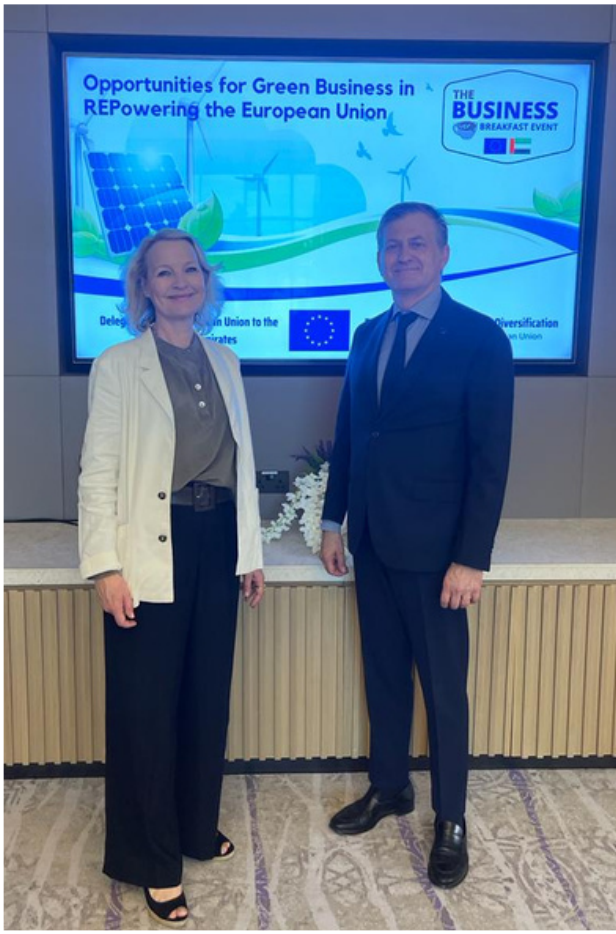
- We cannot allow the energy crisis to threaten our climate goals, our energy security, and our independence. More renewables mean **fewer fossil fuels** and **less dependence on Russia. This is the way forward.** It's cheaper, safer, and homegrown.
- The **green transition** and **energy security** are **two sides of the same coin**; diversifying our own energy supplies on one hand, while speeding up the **clean energy transition** on the other.
- The green transition is also a huge **vehicle of growth, innovation, jobs, and new business opportunities.** We are working with our industry to make sure that our economic system is up to the task of **delivering the technologies and infrastructures that are needed for the transition.**
- But we also look at our **trade partners**, especially those like-minded countries that share our same climate and energy ambition. This is why we have concluded recently **partnerships on the green transition** (Morocco), hydrogen (Egypt and Japan), and Critical Raw Materials and hydrogen (Namibia and Kazakhstan).
- The role of the private sector is key to ensuring a safe, sustainable, and affordable energy transition. **The UAE and other GCC countries have a potentially important role to play** in securing energy supply, particularly in the transition period (gas) **but also in the longer-term sustainability context** (renewable hydrogen).
- Investments are key in the current energy transition context. **The GCC countries have huge resources for investments** and are investing all over the world. In this regard, the clear focus by **UAE investments in green energy and sustainability** (both at home and abroad - including in developing countries) is welcome.

Closing remarks by Douglas Aitkenhead, Team Leader, EU-GCC Dialogue on Economic Diversification Project

- The overall objective of the **EU-GCC Dialogue on Economic Diversification project** is to contribute to stronger EU-GCC relations by supporting the GCC countries' ongoing process of economic diversification away from hydrocarbon-dependent sectors. This involves the exchange of EU experience and expertise to assist the GCC member countries to diversify their economies.
- **REPowering** the EU depends in large part on **empowering** the private sector. In this new paradigm of environmental change and economic growth, the private sector **can and needs** to play an important role in achieving policy objectives through its capacity to innovate.
- As we have heard today, one of the pillars of the European Green Deal is to stimulate innovation-based competitiveness. The overall goal is to stimulate economic innovation by supporting start-ups, scale-ups, and SMEs to create new economic opportunities.
- International cooperation can be supported by **Horizon Europe**, the EU's public financing programme for research and innovation as well as other EU institutions.
- The acceleration of renewables uptake worldwide also presents an opportunity to **strengthen trade relations**. To develop their home-grown renewables potential, most countries in the world require access to innovative technologies, knowledge, and capital, and the EU green tech industry is well positioned to be a partner in those efforts.
- The project will continue to support economic diversification through its **Events, Policy Analysis & Flow of Information**. All project outputs can be found on our [website](#).



Opportunities for Green Business in Repowering the EU - Summary Report



Useful Links

- To learn more about **REPoweringEU**, click [here](#).
- To learn more about the **European Green Deal**, click [here](#).
- To learn more about EU's **Global Gateway** initiative, click [here](#).
- To learn more about **NextGenerationEU**, click [here](#).
- To learn more about **Horizon Europe**, click [here](#).
- To learn more about the **Joint Communication on the Strategic Partnership with Gulf**, click [here](#).

About the EU-GCC Dialogue on Economic Diversification

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The EU-GCC Dialogue on Economic Diversification is a project funded by the European Commission Service for Foreign Policy Instruments under the Partnership Instrument.

The project contributes to stronger EU-GCC relations by supporting the GCC countries in the ongoing process of economic diversification away from hydrocarbon-dependent sectors, including by funding regular EU-GCC Business Fora.

The purpose of this project is to promote climate-friendly trade, investment, and economic affairs-related policy analysis, dialogue, and cooperation between stakeholders from the EU and GCC at both regional and country levels in the context of the GCC economic diversification process.

For more information on the EU-GCC Dialogue Project, and to download research reports and other publications, please visit:

<https://www.eeas.europa.eu/eeas/EUintheGCC>

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SCAN ME
to learn more about the project