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To the European Commission's Public Consultation on the Renewable Energy Strategy

Doosan Power Systems welcomes this opportunity to respond to the EU Public consultation on the Renewable Energy Strategy. Renewable Energy sources (RES) will play a major role in delivering EU targets of 20% RES by 2020 and a carbon neutral power supply by 2050. Investors are already looking beyond 2020, and a new target set for 2030 will help necessary growth in RES.

Doosan Power Systems is a leading provider of cleaner energy products and services for power generation, from turnkey steam power plant projects to boilers, turbines, nuclear, CCS and renewables. We are committed to providing the technologies and the expertise needed for a low carbon economy.

We support the EU ETS as a market-based, European-wide, non technology specific policy to lower carbon emissions. It has without doubt led to CO2 reductions. We also support individual member state incentives and targets as long as they function effectively together and with the EU ETS in delivering diverse lower carbon technologies across the EU.

Section A: General Policy Approach

A.1 Is there a role for new targets for renewable energy sources post-2020 assuming that any targets must be consistent with climate mitigation and energy efficiency policies and targets as is currently the case with the 20/20/20 targets in the Europe 2020 strategy?

It is very important that there are clear signals on the speed of transition to a low carbon economy and confidence that these signals will be translated into policies or targets backed up by incentives. It is important that any policies are consistent with the European carbon market, the EU ETS, which we believe can provide the flexibility to efficiently deliver the transition at least cost. Binding GHG emission reduction targets are needed. We do believe that the level of

scarcity in the carbon market should be in line with scientific evidence to avoid dangerous climate change.

A.2 Are other policy elements necessary to promote renewable energy post-2020, such as:

Enhanced focus on R&D to bring down the costs of renewable technologies

It is important to recognise that Research & Development will need continued and ongoing financial support over the next decades.

Public procurement obligations in support of renewables

There is a need to incentivise low carbon technology which remains technology neutral.

Better financing possibilities

New technology will need opportunities for financing, particularly in the current economic climate.

Continue to ensure sustainability and scalability

Yes

Section B: Financial Support

B.1 Do you consider that financial support will continue to be necessary to support renewables post 2020 given their expected greater penetration?

Yes, for continued Research, Development & Deployment and low carbon technologies which are not yet competitive.

B.2 If renewable energy sources require support post-2020, how do you think this can best be achieved with a view to achieving a cost-effective deployment?

- a. Making support schemes more market-oriented (please specify how)**
- b. Accelerate convergence of national support schemes**
- c. Open up national support schemes to cross-border projects**
- d. Phase out support schemes over time (please specify for which technologies if applicable)**

The best approach would be to have a fully functioning carbon market with scarcity in line with scientific evidence on climate change and rolling targets so that industry have full visibility and confidence in both the targets and the political commitment to achieving them. Under these circumstances renewables will have a market advantage and there should be an income stream from the auctioning of permits that can be used to support renewables.

In addition we would welcome mechanisms for national funding directed at supporting the development of renewables and low carbon generation.

B.3 Do you think it would be useful to develop common approaches as regards Member States' financial support for renewables?

Yes. Support should be EU-wide but not technology specific. Most companies will operate across Europe and the targets are European wide. European wide policies are appropriate but there may be additional need at national level to recognise the need for capacity building, specific infrastructure requirements and natural resources.

B.4 Should the structure of financial support be gradually aligned EU-wide?

There is a case for support through the carbon market and auctioning of permits to be fully aligned across Europe to ensure that there are no competitive distortions created and to recognise that the move to a low carbon economy is a shared objective. However as stated above there may be need for nationally appropriate measures that recognise local conditions.

B.6 Do national support schemes and differences between such schemes distort competition?

It depends on their design and ambition. National support schemes should be compatible rather than in competition with European wide schemes.

Section H: Sustainability

H.1 Do you think that additional sustainability criteria are necessary in the post 2020 period?

Yes, unless there is other evidence available, sustainability criteria should apply to both all biomass and fossil fuels.

If you would like to discuss the issues raised here or any other issues, please call Jane Butterfield on 01293 584367.

Yours faithfully,

Jane Butterfield
Policy and Regulatory Manager

