

# **Renewable Energy and Energy Efficiency- Innovative policies and financing instruments for the EU's southern and eastern neighbours**

*19 April 2007, KfW Building Berlin*

## **Session 1: Successful Policies for Renewable Energy**

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### **SUMMARY OF MANUEL SÁINZ WORDS.**

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The Spanish energy system is featured by a high degree of external dependency, with 85% of Spanish energy consumption obtained through the combustion of fossil fuels.

As a consequence, the two basic targets of the Spanish energy policy are the reduction of CO<sub>2</sub> emissions and guaranteeing the security of energy supply (80% of dependency on imports).

Therefore, the development of renewable energy sources (RES) plays a major role in order to attain these objectives contributing as well to job creation and stemming the rural exodus.

The share of renewable energies in the primary demand reached 6.8% in 2006, covering 18.8% of the electricity demand (provisional data).

According to the targets fixed in the new Spanish Renewable Energy Plan (REP), these figures will reach 12.1% and 30.3% respectively, by 2010. REP also foresees a 5.8% contribution of bio-fuels to total fuel consumption for transport.

Wind power covered 7.5% of the electricity demand in 2006 (provisional data). A leading position has been reached on a worldwide scale, in the industries of wind power and solar energy.

Tax exemptions for liquid bio-fuels and the feed-in tariff system for electricity from RES are the main incentives to attract private investors.

The feed-in tariff system implemented in Spain is aimed to get a profitable, predictable and secure framework for investors at the lowest cost for the consumers.

Persuaded of the goodness of this system Spain and Germany initiated an International Feed-In Cooperation (IFIC) in Bonn in June 2004. This cooperation is open to other countries and Slovenia joined to it last January.

Spain is recording high annual rates of growth of energy demand. In addition to the REP, since 2005 the Government is implementing the Action Plan for Energy Efficiency 2005-2007, which provides for energy saving measures in the main economic sectors.

Positive results have already been obtained in 2006 as, even in a high economic growth cycle, energy intensity decreased for the first time in 14 years.