

Welcome Remarks

by

Mr. Adnan Z. Amin

Director-General

International Renewable Energy Agency

at the

1st Iran – European Union Business Forum on Sustainable Energy

Teheran, Iran

29 April 2017

Your Excellencies, Hamid Chitchian, Minister of Energy, and Miguel Arias Cañete,
EU Commissioner of Energy and Climate change,

Your Excellencies,

Distinguished guests, Ladies and Gentlemen,

I am very pleased to attend this first Iran – European Union Business Forum on Sustainable Energy. Since its inception, IRENA has been championing international cooperation as an essential strategy to accelerate the global energy transition and the uptake of renewables. From this perspective, we welcome initiatives by our members that contribute to achieve this objective, and I would like thus to congratulate Iran and the European Union for convening this Business Forum as a major step in Iran’s path to a sustainable energy future. I am also delighted to see such a large participation from the private sector that indicates the great potential for investment and growth.

This Forum comes at a timely moment, with the global energy transition accelerating. I recently visited Russia and Saudi Arabia, two of the largest oil producing countries of the world, with which we are collaborating on renewable

energy. I sensed in both countries the determination to harness their immense renewable energy potential, with both putting in place the enabling frameworks and investment plans to achieve this. The Russian government has shown a strong message through its cooperation with IRENA on the REmap Russia Report, which shows that the country could pursue a threefold increase in the share of renewables by 2030. Meanwhile, by the same year, Saudi Arabia seeks to attract new investments in renewables in a range of 30 to 50 billion US. The energy transition is becoming truly global based on the positive economic, technical and cost parameters.

The chief driver of global renewable energy deployment is its business case, which is stronger than ever. Cost reductions have paved the way for record investments and deployment of renewables. The cost of solar photovoltaics (PV) has fallen by as much as 80 percent since 2009 and we anticipate that it could drop by a further 60 percent. In the UAE, IRENA's host country, solar prices hit a record low in auctions over the last two years, with a bid of 2.99 US cents per kilowatt-hour as part of an 800 megawatt solar park in Dubai. Similarly, we predict costs for offshore wind to drop by 35 percent, and Concentrated Solar Power by almost 45 percent over

the decade. Globally capacity addition of renewables is growing and IRENA's newly-released *Capacity Statistics Report* found that renewables generation capacity increased by 161 gigawatts last year, making 2016 the strongest year ever for new capacity additions.

Meanwhile, the private sector is increasingly using sustainable energy to power its businesses. Major global corporations are actively sourcing renewable energy for their operations, providing strong signals to the market. To this date, 90 of the world's largest companies have pledged to source 100 percent of their energy from renewables; these represent a vast array of different sectors – from financial institutions such as Goldman Sachs to car manufacturers such as General Motors, spanning to tech giants such as Facebook and Google. Energy companies are meanwhile expanding their renewable energy portfolios. Some months ago, Statoil announced that it aims to increase its investments in renewables to between 15% and 20% of total spending by 2030, up from the 5% today.

Within this global landscape, the European Union has been instrumental in accelerating the energy transition. Today, more than 27% of the EU's electricity is generated by renewables, while the share of renewables in gross final energy

consumption has now grown to 16%, well on its way to achieving the 20% target by 2020. At the same time, European companies have shown the way in the integration of renewables into the power system. Enel, in Italy, is a pioneer in the smart metering technologies that are necessary to balance energy demand and supply from intermittent renewable sources. 50Hertz, in Germany, recently generated enough renewable energy to cover 50% of its territory's consumption.

Overall throughout the continent, European countries have demonstrated that large shares of intermittent renewable energy sources can satisfy, and at times even surpass, demand. Which means that wind and PV could generate more power than can be used at a given point in time. On windy days in Denmark, for example, wind power alone can generate up to 140 per cent of the country's total power demand. Similar cases are occurring in Germany and Portugal.

Iran, on the other hand, has clearly indicated that it wants to be part of this global energy transition, and I am witnessing growing momentum and interest since my last visit to this great country in the summer of 2014. Iran is of course known for having some of the largest oil and gas reserves of the world, but it has understood that diversifying its energy mix is a must to meet rising energy demand, in addition

to creating employment, achieving environmental and climate objectives and attaining energy security. More importantly still, it has become an extraordinary source of opportunity in terms of economic growth and additional employment.

Iran's current share of renewables in its energy mix is currently at 5 percent of current electricity generation with large hydro, but only 1 percent without large hydro. The country is however endowed with world-class renewable energy resources, from solar to onshore wind and geothermal. Its renewable energy targets – 10 gigawatts for power by 2025, and 10 gigawatts for heat by the same year – are a concrete and achievable goal in line with the objectives of its national development agenda. I am confident that the country's strong technical and engineering capabilities will be well-poised to make these targets a reality and will certainly stand ready to reap the benefits of growing economic and employment opportunities.

In this context, Iran has already made progress through the establishment of feed-in tariffs, in addition to planning for tenders on utility-scale renewable energy projects. The role of the private sector, however, will be essential in ensuring the country reaches its renewable energy target. Companies from abroad are demonstrating that they are keenly interested in tapping into Iran's extraordinarily

promising market. Overall, Iran has granted Purchasing Power Agreements for additional renewable energy projects for a combined capacity of 1.150 gigawatts to companies from Germany, Italy and Switzerland, and predicts that an additional 850 megawatt of solar and wind projects will be installed in the current Iranian calendar year. Last December, more than 70 European firms participated in the Iran Renewable Energy Commercial Conference.

I hope that this Forum will facilitate discussions on relevant policies, experiences, and strategies, especially on the most urgent challenges facing Iran's current renewables industry: unhindered access to finance, and creating expertise. I am confident that EU know-how will be of great value in this field. This opportunity for exchange will create a fertile ground to accommodate the keen interest that foreign investors have demonstrated so far, and to enable Iran's smart and resourceful people to fully tap into its renewable potential.

Ladies and gentlemen,

I am convinced that great things can be achieved in the spirit of cooperation and mutual exchange. It is this spirit, and it is initiatives like these, that will provide the

fuel to accelerate the energy transition at a global level and move to a sustainable energy future.

Thank you.