

Galán calls for more Europe and more electrification to combat energy crisis and boost growth

- Iberdrola's chairman urges to build a real energy union at the 10th German-Spanish Forum

18/10/2022

The Chairman of Iberdrola, Ignacio Galán, who spoke today at the 10th German-Spanish Forum, called for "more Europe and more electrification, as this will lead to greater growth and more jobs". At the forum, held today in Berlin and attended by His Majesty King Felipe and the President of the Federal Republic of Germany, Frank-Walter Steinmeier, Galán stated that the energy crisis suffered by the European Union stems from the gas market. In order to solve it in a lasting way, it is necessary to advance in the energy transition through electrification and to build a real union, said Galán.

At the forum, which was organised by the Liz Mohn Centre of the Bertelsmann Foundation and Telefónica with the support of Fundación ICO, under the theme 'Building together a digital and sustainable future in Europe', Iberdrola's chairman gave a positive assessment of EU initiatives such as *Green Deal*, *Fit for 55* and *RePower Europe*.

The European proposals aim to electrify the economy to become less dependent on coal and natural gas, and to achieve energy independence. The solution is renewable energy, smart grids and storage, and the amount of investment needed until 2030 is estimated at €1.2 trillion.

Regulatory stability and clear frameworks are essential to mobilise huge private investments. Thus, the Iberdrola chairman advocated unifying policies with integrated markets and tax systems, more interconnections, common administrative processes and incentives in the EU. "I believe that Germany and Spain can do a lot together to push for further integration," he told the forum.

Green hydrogen is an example of how joint EU policies can be improved. The EU has set a target of 10 million tonnes by 2030, which will require an additional €300 billion of investment. However, public support will be €5.2 billion. Meanwhile, in the United States, for a similar amount of this hydrogen, support is around \$100 billion.

Galán took part in the round table discussion entitled 'How to be more competitive through digitalisation and sustainability', in which José María Álvarez-Pallete, Chairman of Telefónica; Belén Garijo, President and CEO of Merck; Nico Hofmann, CEO of UFA, and Klaus Rosenfeld, President and CEO of Schaeffler also took part.

Executives pointed out that digitalisation and sustainability are key factors in strategic planning, with a direct impact on business in industry, banking, tourism and commerce. They are seen as both challenges and opportunities for Europe's economic and social recovery.