



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 20 December 2007**

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**NOTE**

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from:	Council Secretariat
to:	Delegations
Subject :	Communication from the Commission: A European Strategic Energy Technology Plan (SET Plan) - <i>Council Conclusions</i>

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The upcoming Slovenian Presidency, building on the achievements of the Portuguese Presidency as regards the SET Plan, presents the attached first draft of Council conclusions (Annex I) and timetable outlining the handling of this dossier in the run-up to the TTE Council on 28 February 2008 (Annex II). It is recalled that the Council conclusions to be adopted at that occasion will provide an input to the European Council of 13 and 14 March 2008.

Written comments on the SETP and the Council Conclusions should be addressed to:  
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draft Council Conclusions on the Commission Communication  
"A European Strategic Energy Technology Plan (SET Plan)"

THE COUNCIL

WELCOMES the Communication "A European Strategic Energy Technology Plan (SET Plan)", presented by the Commission in response to an invitation by the 2007 Spring European Council;

AND AGREES ON THE FOLLOWING FUNDAMENTAL PRINCIPLES FOR A EUROPEAN ENERGY TECHNOLOGY POLICY:

A European Energy Technology policy, aimed at the aggressive continued development and wide-scale application of clean and efficient energy technologies is an essential element for the achievement of the European Union's ambitious energy and climate goals for 2020, and will contribute to the worldwide transition to a low-carbon economy by 2050. This policy is fully in line with the goals of the Lisbon Strategy and will contribute simultaneously to the three pillars of the Community energy policy: security of supply, sustainability and competitiveness.

The European Energy Technology policy should increase synergies at Community level whilst avoiding the duplication of efforts, and should take into account existing cooperation structures in energy technology R&D.

This policy requires increased and sustained funding, for both R&D on clean and efficient energy technologies as well as for "market pull" measures which enable an accelerated market uptake of products incorporating clean and efficient energy technologies. At the same time, resources should be used in a more cost-efficient way by improved coordination and increased focus of research activities, for instance in the Seventh RTD Framework Programme, in accordance with its procedure.

Europe must pursue advances in a broad portfolio of energy technology fields and simultaneously allow Member States to pursue R&D in line with their own national situation and preferences. Thus, Member States can choose freely the optimal combination of energy technologies, in line with their prerogative to decide upon their own energy mix.

The European experience and know-how in clean and efficient energy technologies and their market introduction strategies should be improved upon, multiplied, and applied throughout the European Union. All sectors in the EU economy which are involved in energy-producing, energy-saving and energy-using products and services must be guided and stimulated towards the use of cleaner and more efficient energy technologies.

The full engagement of the private sector is essential. Therefore, industry, investors, innovators and researchers must be provided with a stable and predictable policy framework which gives clear signals, regulatory certainty and transparency and concrete commitments, at European as well as national level, so as to allow them to decide in the medium- and long-term perspective required. In particular, financial and non-financial support mechanisms must take full account of this medium- to long-term perspective. Furthermore, for each type of energy technology, the policy framework should address, where needed, the entire supply chain from basic research to full-scale market penetration.

AND THEREFORE AGREES THE FOLLOWING GOALS AND ACTIONS:

1. to set up at EU level **6 priority European Industrial Initiatives**, taking careful account of existing initiatives and launch them in early 2009: European Wind Initiative, Solar Europe Initiative, Bio-Energy Europe Initiative, European CO<sub>2</sub> capture, transport and sequestration initiative, European electricity grid initiative, sustainable nuclear fission initiative;
2. to furthermore focus efforts on **energy efficiency** by supporting the development and implementation of end-use technologies to minimise large energy losses in the EU;
3. to set up by June 2008 a group of high level representatives which convenes in order to jointly and strategically plan energy research and innovation efforts (the "**High Level Steering Group**"), and which provides added value for energy research and innovation efforts at Community level, and to establish a structured dialogue leading to a **European Energy Research Alliance**. Proposals for these mechanisms should demonstrate their cost-effectiveness and added value, taking into account existing policy instruments and coordination mechanisms;

4. to aim for increases in national and European **funding** on energy research commensurate with the achievement of the Community's energy and climate goals:
  - = at national level, each Member State commits to aim for a doubling by 2013 from 2007 levels, of its *combined* public funding for energy technology research and for active "market pull" measures, as far as the absorption rate of its research base allows;
  - = at EU level, the Energy Ministers commit to aim for a doubling of energy research funding levels for the Eighth Framework Programme, as compared to the current annual budget of € 886 million in the Seventh Framework Programme;
  
5. to improve and enlarge the Community's world-class knowledge base of energy researchers and research institutes ("**capacity building**"), including by reducing barriers to mobility, attracting world class human capital and improving science education;
  
6. to develop **covenants between government, industry and researchers** for different types of energy-producing and energy-saving technologies;  
Such measures and commitments may include:
  - = public-private partnership arrangements;
  - = fiscal "carrot-and-stick" approaches for both the research and market introduction phases of energy-saving, energy-using and energy-producing products and services, according to their performance level; such measures may be fiscally neutral;
  - = government commitments to put optimal "market pull" measures in place when the technology concerned reaches a predefined level of maturity, including future public procurement policies;
  - = industry commitments to accelerate and expand the market introduction of clean and efficient energy-using products;
  - = government commitments to simplify, reduce or remove administrative barriers in all policy areas which hinder the market introduction of clean and efficient energy-using or energy-producing products, and to develop simple "one-stop-shop" solutions for permits for renewable energy production installations;
  - = setting standards and norms for clean and efficient energy products and services, at EU and international level;

7. to make **legislation in other relevant policy areas** such as taxation, state aid, agriculture, transport and public procurement, supportive of the achievement of the overarching and binding energy and climate change goals agreed by the Spring 2007 European Council;
8. to further promote **international cooperation** on both the development as well as the faster application of clean and efficient energy technologies, by developing and applying differentiated strategies, building upon ongoing cooperation with third countries such as China, India and the US. Safeguarding the competitiveness of European industries should be a central element. Emphasis should be given to cooperation with large energy-consuming countries, countries or regions which are leaders in the field of advanced energy technology, countries with evident potential for the cost-efficient application of certain clean and efficient energy technologies, and developing countries and transition countries able and willing to 'skip a step' in their economic development by making directly a large-scale transition to the application of clean and efficient energy technologies;

AND IN THIS CONTEXT INVITES THE COMMISSION

9. to start work on the above agreed goals, in close consultation and cooperation with Member States and other relevant actors, and furthermore:
10. to initiate in 2008 an action for the transition to low carbon energy networks and systems, including the rapid deployment of CCS;
11. to prepare in 2008 a Communication on financing low carbon technologies;
12. to regularly update the Capacities Map and the Technology Map - excellent tools for the identification of potential synergies and areas for cooperation - based upon a regular flow of information from Member States; and in particular, to update the Technology Map as soon as possible in order to include also other technologies critical for the transition to and operation of a more sustainable energy system;

**Timetable***N.B. Coreper dates are provisional*

DATE	PRESIDENCY / COMMISSION	DELEGATIONS
26.11.07	presentation - WP ENER	
03.12.07		Council policy debate
06.12.07	presentation of road map (15214/07) at WP ENER	
12.12.07		deadline for delegations' written comments on SET-Plan
before Xmas holidays (latest: 21.12)	circulation of draft conclusions v.1	
08.01.08	presentation of draft conclusions at WP ENER	WP ENER: discussion on conclusions
11.01.08	revised draft v.2	
17.01.08		WP ENER: discussion on conclusions
21.01.07	revised draft v.3	
31.01.08		WP ENER: <i>final</i> discussion on conclusions including <i>Research contribution</i>
13.02.08		<i>Coreper I sets agenda of TTE Council</i>
15.02.08		<i>Coreper I finalises conclusions</i>
20.02.08		<i>(poss.) Coreper I finalises conclusions</i>
<b>28.02.08</b>		<b>TTE Council adopts conclusions</b>
05-06.03.08		<i>Coreper II examines European Council conclusions</i>
<b>10.03.08</b>		<b>GAERC examines European Council conclusions</b>
12.03.08		<i>(poss.) Coreper II examines European Council conclusions</i>
<b>13-14.03.08</b>		<b>European Council adopts SET-Plan</b>

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