



**COUNCIL OF
THE EUROPEAN UNION**

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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> |

Delegations will find in Annex I the latest draft of Council conclusions, which takes into account the input from delegations at the Research Group meeting on 7 January and the Energy Group meeting on 8 January, as well as written comments.

Annex II contains a timetable outlining the handling of this dossier in the run-up to the TTE Council on 28 February 2008. 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.

New text (compared to the previous version) is reflected in ***bold italics***, deleted text is shown by [].

Written comments on the SETP and the Council Conclusions should be addressed to:
secretariat.dgc2-energie@consilium.europa.eu and aris.tekelenburg@consilium.europa.eu

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 [] *an accelerated* 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 [] *will help to achieve* the goals of the Lisbon Strategy *by pursuing innovation and enhanced competitiveness* 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 *Research, Development, Demonstration and Deployment (RDD&D)*.

This policy requires increased and sustained funding, for *RDD&D* on clean and efficient energy technologies [] *including* "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 *targeted* way *by increasing the focus of RDD&D activities in EU and Member States' programmes* [].

Europe must pursue advances in a broad portfolio of energy technology fields and simultaneously allow Member States to pursue *RDD&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 *plan and* 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 their various stages of development*, and launch *each one of* them [] *as early as feasible*: "European Wind Initiative", "Solar Europe Initiative", "Bio-Energy Europe Initiative", "European CO₂ capture, transport and sequestration initiative", "European electricity grid initiative", "sustainable *and safe* nuclear fission initiative". *Proposals for these public-private partnerships with voluntary participation should demonstrate their cost-effectiveness and added value. Further European Industrial Initiatives may be necessary, and therefore Council encourages the Commission to continue to examine areas with great potential such as ocean energy, energy storage and energy efficiency for this purpose.*
2. to furthermore focus efforts on **energy efficiency** by supporting *and stimulating* the development and implementation of end-use technologies to [] *realise the significant energy-saving potential* in the EU, *inter alia by means of further increasing acceptance and raising awareness, taking regulatory measures including standard setting and aligning public purchasing policy.*

3. to set up by June 2008 a group of high level representatives *from the governmental, energy and financial sectors* which convenes in order to *exchange information and develop options for guiding and [] strategically coordinating* energy *RDD&D* 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; *the functioning and continuation of these mechanisms should be evaluated at regular intervals in light of the results achieved.*
4. to aim for *substantial* increases in national and European **funding for** energy *RDD&D*, *including for energy research capacity building*, commensurate with the achievement of the Community's energy and climate goals [];
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, *where possible and appropriate, policies and measures including Community programmes* in *all* [] relevant [] areas such as *research*, 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 [] *RDD&D on* clean and efficient energy technologies, by developing and applying differentiated strategies, building upon ongoing cooperation with third countries []. *In this process, the cooperation and contribution of European industrial market leaders in clean and efficient energy technologies should be sought.* 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 [];
11. to prepare in 2008 a Communication on financing low carbon technologies;
12. to [] *review the Strategic Energy Technology Plan at regular intervals, and to establish an open-access European energy technology information and knowledge management system which will allow inter alia regular updates of* the Capacities Map and the Technology Map - excellent tools for the identification of potential synergies and areas for cooperation []; 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 |
| 20.12.07 | circulation of draft conclusions v.1 (15214/1/07 REV 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 |
| 21.01.08 | revised draft v.3 | |
| 31.01.08 | | WP ENER: final 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> |
| 28.02.08 | | TTE Council adopts conclusions |
| 05-06.03.08 | | <i>Coreper II examines European Council conclusions</i> |
| 10.03.08 | | GAERC examines European Council conclusions |
| 12.03.08 | | <i>(poss.) Coreper II examines European Council conclusions</i> |
| 13-14.03.08 | | European Council adopts SET-Plan |
