



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat of the Council
to: Delegations

Subject : Communication on a European Strategic Energy Technology Plan (SET-Plan)
"Towards a low-carbon future"
- *Council Conclusions*

Delegations will find attached the Council conclusions as adopted on 28 February 2008.

Draft Council Conclusions on the Commission Communication
"A European Strategic Energy Technology Plan (SET Plan)"

THE COUNCIL

WELCOMES the presentation of the Communication "A European Strategic Energy Technology Plan (SET Plan)" by the Commission, in response to an invitation by the Spring 2007 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, sustainable 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 research, 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, sustainable and efficient energy technologies including "market pull" measures in areas where the incentives for the private sector are not sufficient to enable an accelerated market uptake of products incorporating clean, sustainable 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 and of R&D priorities, in line with their prerogative to decide upon their own energy mix.

The European experience and know-how in clean, sustainable 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 the priority **Industrial Initiatives** as proposed by the Commission, taking careful account of existing initiatives and their various stages of development, and launch each one of them as early as feasible. These initiatives should be of a voluntary nature, and can take the form of public-private partnerships or of joint programming by groups of interested Member States. Proposals for these initiatives should demonstrate their cost-effectiveness and added value. Further Industrial Initiatives may be necessary, and therefore Council encourages the Commission to continue to examine areas with great potential such as marine energy, energy storage and energy efficiency for this purpose. Council underlines that the mention of a particular initiative has no implication regarding the provision of financial means for this initiative from the Community budget.

2. to further increase efforts on **energy efficiency** by supporting and stimulating RDD&D on 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 appropriate regulatory measures including standard setting and making good use of public purchasing policy.
3. to set up by the summer of 2008 a group of high level government representatives from each Member State (the "**High Level Steering Group**"), which convenes in order to exchange information and propose options for an optimisation of overall energy RDD&D efforts in the European Research Area through joint programming; and furthermore, to establish a structured, open and inclusive dialogue between research centres leading to a **European Energy Research Alliance**. Proposals for these mechanisms should demonstrate their cost-effectiveness and added value for energy research and innovation efforts at Community level, taking into account existing policy instruments and coordination mechanisms, including at international level. The functioning and continuation of these mechanisms should be evaluated at regular intervals in light of the results achieved, and mechanisms that would become redundant should cease to function. Ways and means to include other stakeholders - for example, by means of a European Energy Technology Summit - should be sought.
4. to aim for substantial increases in European, and when appropriate, national **funding** for energy RDD&D, including for energy research capacity building, commensurate with the achievement of the Community's energy and climate goals, as far as the absorption rate of its research base allows;
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, improving science education, and by asking the European Strategy Forum on Research Infrastructures (ESFRI) to identify the need for European research infrastructures in the field of energy technologies, such as renewable energy technologies;

6. to develop, where appropriate, **covenants between government, industry and researchers** for different types of energy-producing and energy-saving technologies, in support of the objectives of the SET-Plan.

Such measures and commitments may include:

- = public-private partnership arrangements, implementation of clusters;
 - = 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;
 - = government commitments to put optimal "market pull" measures in place when the technology concerned reaches a predefined level of maturity;
 - = 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, 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 RD&D on clean, sustainable and efficient energy technologies, by developing and applying differentiated strategies, building upon ongoing cooperation with third countries, where mutual interest and benefits exist. In this process, the cooperation and contribution of European industrial market leaders in clean, sustainable and efficient energy technologies should be sought, and the promotion of the leadership and competitiveness of European industries in those energy technologies should be an important 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, sustainable 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 these energy technologies;

AND IN THIS CONTEXT INVITES THE COMMISSION

9. in 2008, to start work on the above agreed goals, in close consultation and cooperation with Member States and other relevant actors, including by preparing a Communication on financing low carbon technologies, and by engaging in planning and preparatory steps for the transition to low carbon energy networks and systems;
10. to review the Strategic Energy Technology Plan at regular intervals, and to establish as a matter of priority an open-access European energy technology information and knowledge management system;
11. to implement, where appropriate, the relevant Community Programmes in support of the goals of the SET Plan, respecting fully their respective legal bases.