



**Commissioner Carlos Moedas**

**Meeting with Members of the European Round Table of  
Industrialists (ERT)**

**BERL**

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## **KEY MESSAGES**

- The Energy Union is a European policy area where very close cooperation between EU, Member States and Industries is essential to deliver on shared objectives towards accelerating the decarbonisation of EU's economy while seizing the business opportunities that such major transformation offers.
- The Energy Union Research, Innovation and Competitiveness Strategy which is planned for early November 2016 will propose a set of concrete measures combining innovation and competitiveness to assist in implementing the Energy Union's objectives and looking forward on emerging issues.
- ERT's position paper is an important input to this policy process. A continued dialogue is essential with EU policy makers to pass key messages and to give an opportunity to hear the voice of the most innovative firms.

# **1. STEERING BRIEF**

## **1.1 Scene setter**

The Energy Union Research, Innovation and Competitiveness Strategy (EURICS) is planned for adoption by the College on 9 November 2016 ( a date which corresponds to the beginning of the 22nd Conference of the Parties (COP22) to be held in Morocco).

EURICS will contain a set of actions in a few key areas aiming at contributing to the acceleration of EU's economy decarbonisation while favouring our competitiveness in the growing global market of low-carbon technologies. Likely focus areas may be energy storage, mobility in urban areas, energy efficiency in buildings and investing in the next generation of renewable technologies. Such areas will be discussed between College Members on 13 September in a dedicated Project Team Meeting.

Industrialists are aware that EURICS is being developed. Some industries participated to the public consultation which ended late May 2016 and industries will be represented in a dedicated high-level stakeholders event scheduled on 26 September 2016 in the Commission headquarter.

## **1.2 Objectives**

Pass the message that ERT's voice has been well received and that success in implementing some of the suggestions will critically depend on the joint capacity of industrialist and public authorities to trigger investments in innovative solutions across the EU. Concentrating these investments on focused targets will help EU's ambitions to develop and strengthen its competitive advantage.

## **1.3 Line to take**

- Inform the ERT on the state of play with regard to EURICS
- Stress that the core issue for seizing the opportunities created by EU's decarbonisation objectives is the increase of investments into innovative activities.
- Remind that increasing investments in riskier activities will occur only if both public and private investors team-up towards joint objectives.

## 2. SPEAKING POINTS

- ERT's position paper is an important input to the EU policy process.
- With regard to the Energy Union and in particular the Energy Union Research, Innovation and Competitiveness Strategy (EURICS) due this fall, I see several areas where most of ERT's recommendations on entrepreneurship would apply : (1) the completion of the EU single market, (2) innovation-friendly data regulations, (3) reducing regulatory bottlenecks to innovation (4) tax incentives for start-ups (5) focused public funding where needed and (6) facilitating the participation of start-ups to public procurements.
- EURICS is precisely about joining forces with industry towards accelerating the decarbonisation of EU's economy while seizing the economic opportunities that this massive transformation of our society offers.
- The start-up initiatives of ERT members companies in several sectors covered by the Energy Union (energy, mobility and industry) are very encouraging. ERT companies have invested more than one billion EUR in recent years on start-ups. EU public authorities also supported many companies (small and large) in their R&I activities and to get closer to the market. Can we share our experience on this and see concretely where major bottlenecks to innovation appear?
- The reflection on EURICS reminded us that companies and, mutatis mutandis, public authorities which have been successful in their investments most often based their success on their capacity to innovate, i.e. using current knowledge differently and link areas that businesses so far dealt with as separated sectors.
- In this context, the role of IT in providing integrated solutions which are based on a systemic reflection and towards the provision of energy or transport services rather than only goods is instrumental.
- For instance, I would like to hear more from you on Air Liquide's i-lab initiative and whether EU public authorities are called upon to further stimulate such promising efforts.

- Among the policy recommendations provided by the ERT, several address issues which are under the Member States' competence. The Commission has a permanent dialogue with the Member States on taxation and incentive policies relevant to the implementation of the Energy Union. However, in order not to lose time in EU's well known governance complexity, my message would be that ERT addresses to the Member States the same messages as those provided to the EU level. If consistent messages, notably on the reinforcement of the EU dimension are conveyed, every actor whether local, regional, national or European could then address the issues which are in its competence and act towards a single and common goal in support to industrial activity in Europe.
- A continued dialogue between ERT and EU policy makers is essential to pass key messages as well as for hearing the voice of the most innovative firms.
- As the design of EURICS aims at monitoring closely the impact of policy actions, I invite you to discuss the progress made in implementing the actions on an annual basis, to possibly feed into the annual report on the State of the Energy Union.
- I am keen to discuss such report as it should detail what the European Commission managed concretely to do and not only what it intends to do.

### **3. BACKGROUND INFORMATION**

#### **3.1 An Energy Union for Research, Innovation and Competitiveness**

The Commission communication on a "Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy" adopted in February 2015, has five mutually-reinforcing and closely interrelated dimensions designed to bring about greater energy security, sustainability and competitiveness.

It calls for a new strategy for Research and Innovation (R&I), as its fifth dimension, to be at the very heart of the Energy Union, supporting breakthroughs in low-carbon technologies by coordinating research and helping to finance projects in partnership with the private sector.

The roadmap associated to the Energy Union communication calls under the following action 14 for the "EU to develop a forward-looking, energy and climate-related R&I strategy to maintain European technological leadership and expand export opportunities.

- The Commission will propose a European energy R&I approach, comprising an upgraded Strategic Energy Technology Plan [SET-Plan] and a strategic transport R&I agenda [STRIA], with a limited number of essential priorities and clear objectives, in 2015-2016.
- The Commission will develop an initiative on global technology and innovation leadership on energy and climate to boost jobs and growth."

As a follow up, the new Integrated SET-Plan Communication, adopted on 15 September, lays out some key priorities for a new Energy R&I Strategy for the EU in the coming years. It provides the overall framework for promoting strengthened cooperation in R&I between the EU, Member States and stakeholders (research and industry), in order to step up the efforts to bring new, efficient and cost-competitive low-carbon technologies faster to the market and deliver the energy transition in a cost-competitive way.

In particular, the Integrated SET-Plan:

- Identifies 10 actions for research and innovation, based on an assessment of the energy system needs and on their importance for the energy system transformation and the potential to create growth and jobs in the EU;
- Addresses for these actions the whole innovation chain, from basic research to market uptake, both in terms of financing as well as in terms of regulatory framework;
- Adapts the structures set up under the SET-Plan to ensure a more effective interaction with Member States and stakeholders;
- Proposes to measure progress as part of the annual reporting of the State of the Energy Union via overall Key Performance Indicators (KPI's), such as the level of investment in R&I, as well as specific KPI's to measure progress on the performance and cost-reduction for the priorities.

The 10 actions are as follows:

1. Sustain technological leadership by developing highly performant renewable technologies and their integration in the EU's energy system;
2. Reduce the cost of key technologies;
3. Create technologies and services for smart homes that provide smart solutions to energy consumers;
4. Increase the resilience, security and smartness of the energy system;
5. Develop new materials and technologies for, and the market uptake of, energy efficiency solutions for buildings;
6. Continue efforts to make EU industry less energy intensive and more competitive;
7. Become competitive in the global battery sector to drive e-mobility forward;
8. Strengthen market take-up of renewable fuels needed for sustainable transport solutions;
9. Step up research and innovation activities on the application of carbon capture and storage (CCS) and the commercial viability of carbon capture and use (CCU);
10. Maintaining a high level of safety of nuclear reactors and associated fuel cycles during operation and decommissioning, while improving their efficiency.

Regarding the integrated strategy for Research and Innovation, internal discussions between all the Commission services involved have progressed in the past months and an Initiative Roadmap for the above-mentioned Integrated Strategy has been developed. Discussions at the level of an Inter-Service Group are ongoing and results will be brought forward to the different Cabinets for political endorsement in the next weeks.

A public consultation process has been carried out and its results will feed into the integrated R & I strategy