Accelerating clean energy innovation

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The Committee on Industry, Research and Energy adopted an own-initiative report by Jerzy BUZEK (EPP, PL) on accelerating clean energy innovation.

The EU must remain ambitious in its policies and instruments in order to send the right investment signals and not lose its global leading market position in clean energy research and innovation. Energy-related research and innovation was recognised as a priority area under FP7 and Horizon 2020, and should continue to be one under FP9, given the Union's commitments within the Energy Union and under the Paris Agreement, so as to leverage public and private R&D funding more effectively, and to help lower the investment risks of most prospective innovation in clean energy, particularly in energy efficiency and renewables.

In this regard, the report noted that the EU needs to send strong and consistent signals and create incentives, in order to provide investor certainty and boost private investment in clean energy innovation, R&D and deployment.

Coherence with other EU policies: although Members welcomed the Commission communication setting the framework for accelerating the EU's clean energy innovation, they stressed the need for a **regulatory and financing framework** for energy innovation that is coherent with the EU's energy roadmap 2050 and its commitments under the Paris Agreement.

They stated that the successful deployment of energy innovation is a **multidimensional challenge** that encompasses both supply- and demand-side value chains, human capital, market dynamics, regulation, innovation and industrial policy issues. The importance of further liberalising European energy markets, notably by removing obstacles to free price formation and phasing out energy subsidies was also stressed.

The Commission and the Member States are urged to put in place **mechanisms for coordinating EU, national and regional research and energy innovation programmes** in order to foster synergies and avoid duplication, thus ensuring the most effective use of existing resources and infrastructure.

Members remained concerned about the large number and **complexity of existing financial instruments** and stressed the need for **greater coherence between the relevant funds**, including structural funds, dedicated to clean energy projects, and for the existing financing instruments at EU and Member State level to be made more comprehensible.

The Commission is called on to:

- carry out an evaluation of the performance of its energy-related financial instruments and funds, and to provide a 'fast track' response to improve the instruments if specific instances of gridlock, incoherence are identified and to adapt the aforementioned instruments and funds to the new EU energy targets;
- step up efforts in support of innovation in sustainable sourcing of raw materials, better product design, recycling, reuse and cascade use of existing metals and materials in the context of the circular economy and energy savings.

Long-term financing certainty: Members reiterated their call for an increased overall budget of at least **EUR 120 billion for FP9 (2021-2027)** and urged the Commission to increase the proportion of related financing for sustainable, low-emission energy projects under FP9 by at **least 50 % over and above the**

corresponding Horizon 2020 amounts, so as to ensure sufficient funding to support EU's energy transition and the effective implementation of the Energy Union.

Citizen-driven energy innovation: accelerating clean energy innovation requires Europeans to undergo a **change in their mind-set** that would transcend simple awareness of energy issues and move towards a **deeper understanding of the behavioural changes**, especially in energy savings and new production and consumption patterns.

The Commission is urged to:

- pay more attention in its R&D initiatives to the link between innovation in energy systems and new professional profiles, education needs, jobs and training requirements;
- assist in empowering **local and regional authorities** in the deployment of clean energy innovation, such as smart cities, e-mobility and smart and micro-grids;
- encourage the Commission to support existing funding for **electric vehicles infrastructure** deployment;
- support and develop further initiatives such as the Europe-wide electro mobility initiative and the Fuel Cells and Hydrogen Joint Undertaking;
- ensure the financing of innovation aimed at the development of **hydrogen storage** and advanced long-term storage solutions for electric vehicles, the development of a hydrogen charging infrastructure, as well as infrastructure and plug-in solutions, including charging infrastructure for electric vehicles.

The report encouraged the Member States and local authorities to take further initiatives, such as fiscal incentives in relation to the market penetration of electric and hydrogen vehicles, tax reductions and exemptions for the owners of electric and hydrogen vehicles, as well as various other initiatives in relation to the promotion of the use of electric vehicles, such as price reductions, bonus payments and premiums for the buyers of electric vehicles, and the creation of free parking spaces for electric vehicles.

Lastly, the report stressed that synergies between EU policies should be strengthened through a **unified and consistent EU position on anti-dumping measures**, in order to ensure that the manufacturing industry takes full advantage of the energy transition.