



Voting recommendation (ITRE) on Horizon Europe – The Framework Programme for Research and Innovation 2021-2027

Eurelectric recommendations

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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Eurelectric is committed to assisting the European energy innovators in the process of further developing competitive technologies and incrementing innovative solutions to enable the clean energy transition and to become carbon-neutral well before mid-century. These activities require the synchronisation of European innovation policies and industrial ambitions. In the context of the new Horizon Europe programme proposal, the power sector calls on decision-makers to seize this opportunity to ensure this process will take place.

This recommendations builds on the results of a comprehensive survey among the members of Eurelectric's expert community. Building on this expertise it presents options for enhancing EU innovation policies to boost research and innovation in clean energy solutions through enabling innovative energy sector actors to grasp present and future innovation opportunities.

KEY MESSAGES

- **Smoothen the functioning of the EU programmes:** The EU proposes the political ambition for enhanced research and innovation policies at the national level. This could be achieved through a streamlined functioning of different programmes, clearly defined priorities for project funding and a clear mandate for business and technical projects.
- **Adopt a broader approach:** The EU innovation policy should recognise the increasingly important complexity of the electricity industry. In this sense, the European power sector agrees with the mission-oriented approach developed by the Commission for the next Framework Programme.
- **Create innovation incentives:** The EU should continue working towards a support framework ensuring innovation uptake by the power sector through incentivising innovation and exports of the European technology and business processes in order to strengthen the European SMEs' competitiveness, growth and internationalisation.
- **Prioritise demonstration and commercialisation:** European innovation policy should primarily aim at ensuring novel business and technological solutions are developed and brought to the EU market and beyond. Specific actions under the EU innovation policy should aim at ensuring regular and comprehensive experience exchanges between all interested stakeholders within the existing innovation EU initiatives.

- **Strengthen public-private dynamics:** The public and private sectors have to work closely to reinvent the power system. Public funding plays a key role in supporting research and innovation, as open patents are reusable by all. However, the private sector remains a key player in ensuring that innovative solutions and products reach the market and are deployed at scale.
- **Lower administrative burden:** European innovation policy should continuously aim at the further simplification of administrative processes, better alignment of deadlines and co-financing requirements between the different programmes and instruments, and ideally coordinated timelines of different funding programmes in the similar fields.
- **Create an innovation info hub:** The EU innovation landscape consists of numerous research programmes and instruments delivering high financial value compared to what Member States could achieve through standalone actions at the national, regional or local level. Building on the European Commission's experience with CORDIS (Community Research and Development Information Service), a central information hub should be designed to disseminate and foster the success of those programmes and instruments through the proper refinement of the target use cases and/or national legislation across the EU Member States.
- **Dedicate more human and financial resources to innovation:** The drive for innovation is an indispensable quality of competitive and agile industries. The European electricity industry should therefore equip itself with adequate human and financial resources to capture the innovation opportunities unlocked through the EU innovation policy as well as the European and global technology providers.

Recommendations

In view of the committee vote (ITRE) on the Horizon Europe Framework Programme for Research and Innovation, Eurelectric would like to share its views on the amendments tabled ahead of the vote.

➤ Increase of the Horizon Europe budget

Research and innovation are essential for the EU and the power sector to maintain a leadership role in the clean energy transition and to become carbon-neutral well before 2050. Only with an adequate investment in research and innovation, from both the private and public sectors, clean-technologies and services can be developed and deployed. Therefore, Eurelectric strongly recommends the raise of the budget up to EUR 120 billion in constant prices and calls for Members of the Parliament to support **Amendments 898, 899, 900, 901 and 905 to the Regulation establishing Horizon Europe (2018/0224(COD))**.

➤ A comprehensive and inclusive approach of climate, energy and mobility issues

It is of paramount importance to ensure that the ‘Climate, Energy and Mobility’ cluster focuses on: accelerating the deployment of clean technologies and solutions for the decarbonisation of the European economy, developing efficient energy production systems, reducing GHG emissions from the transport sector and enabling the energy transition for the most energy intensive industries. Accordingly, we call the Members of the Parliament to support **Amendments 1579, 1580 and 1584 to the Regulation establishing Horizon Europe (2018/0224(COD))** and **Amendments 341, 1311, 1362, 1366, 1371, 1372, 1382, 1389, 1391, 1405, 1410, 1415, 1419, 1430, 1433, 1435, 1440, 1442, 1443, 1445, 1447, 1448, 1455, 1496, 1501 to the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ Digital transformation of the power sector

The European power sector is undergoing an unprecedented transformation and innovation processes are playing a fundamental role in this process. As carbon-neutral and increasingly decentralised electricity generation is deployed across Europe, smart grid technologies and digital technologies are unlocking new capabilities but also unforeseen challenges (e.g. data-driven business insights from using AI state of art techniques and individualised customer services). Digital transformation within the energy sector will create new business models, converging different markets and bring new players into the market. Integrating energy issues under the cluster ‘Digital and Industry’ is therefore an essential step to accelerate clean-energy transition, to prepare the sector towards a new digital paradigm leveraged by the required digital infrastructure. Accordingly, we call the Members of the Parliament to support **Amendments 1562 and 1564 to the Regulation establishing Horizon Europe (2018/0224(COD))** and **Amendments 1109, 1114, 1117, 1119, 1136, 1137, 1139, 1161, 1214, 1233, 1246, 1252 to the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ Synergies under Horizon Europe and with other programmes

Enabling decarbonisation and energy transition requires a horizontal approach, which can be achieved by fostering synergies between programmes that present complementary aspects, such as Connecting Europe Facility (CEF) and the newly developed Innovation Fund within the ETS framework. In this view, Eurelectric calls for Members of the Parliament to support **Amendments 872, 1655, 1710, 1727, 1728, 1729, 1730, 1731, 1733 and 1564 to the Regulation establishing Horizon Europe (2018/0224(COD))**.

Moreover, Eurelectric encourages interactions between the second Pillar and the third Pillar in order to allow radical and rapid breakthrough innovations into the sphere of the Global Challenges Pillar. Accordingly, we call for Members of the Parliament to support **Amendments 1076 and 1610 to the Regulation establishing Horizon Europe (2018/0224(COD))**.

Finally, Eurelectric believes the design of the Open Innovation pillar shall take into account that many large industrial organisations are already actively engaging with start-ups and innovative SMEs through open innovation approach. A better defined and active role for these organisations shall be recognised in the design of Horizon Europe Open Innovation pillar in order to increase synergies and maximise impact. Therefore Eurelectric calls for Members of the Parliament to support **Amendments 1765, 1766 and 1767 to the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ Inclusive and transparent missions approach

The missions approach will guarantee a holistic action incorporating wider systemic issues, cross sectoral applications, and regional implications. In order to further strengthen inclusivity and transparency under this new approach, designing and steering of missions should involve and include contributions of industry representatives and other relevant stakeholders. Accordingly, Eurelectric calls for Member of the Parliament to support **Amendments 744, 746, 749, 755, 843, 866 and 868 to the Regulation establishing Horizon Europe (2018/0224(COD))** and **Amendments 531 and 532 to the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ Supporting applied research to increase EU commercial competitiveness

Horizon Europe Framework Programme should guarantee broader support for “mature innovation”, adaptation and penetration of technology best practices, in order to ensure breakthrough of industrial applications and market creating innovations. In this perspective Eurelectric calls for Members of the Parliament to support **Amendments 843 and 1613 to the Regulation establishing Horizon Europe (2018/0224(COD))**.

➤ International collaboration and openness

In order to strengthen the European SMEs and larger industries’ competitiveness, growth and internationalisation, it is important to implement a support framework ensuring innovation uptake by incentivising cross-border collaboration innovation and exports of the European technology and business processes. Eurelectric welcomes the continuation of the cooperation with very well interconnected European countries, therefore retaining independence of research and innovation

policy from foreign policy. Therefore Eurelectric calls for Member of the Parliament to support **Amendments 1094, 1095, 1098, 1099, 1188 and 1200 to the Regulation establishing Horizon Europe (2018/0224(COD))** and **Amendments 301 to the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ **Simplification and acceleration of the funds allocation**

Further simplification should be pursued to ease subscription processes in order to support faster innovation cycles and lower administrative burden. For this reason, Eurelectric appreciates the implementation of fast-track processes such as the ‘Pathfinder for advanced research’ and ‘the Accelerator’ which will streamline permitting and provide financial support to not yet ‘bankable’ or investor’s attractive innovators. In this view, we call for Members of the Parliament to support **Amendments 743, 1088, 1220 and 1645 to the Regulation establishing Horizon Europe (2018/0224(COD))** and **Amendments 453 the Decision on establishing the specific programme implementing Horizon Europe (2018/0225(COD))**.

➤ **Excellence of the European clean energy research and innovations**

Eurelectric underlines the importance of securing Europe’s global position in the clean energy race by investing in European excellent research and innovation while prioritising demonstration and commercialisation. Thus, we invite Members of the Parliament to support **Amendments 591, 592, 598, 827 and 829 to the Regulation establishing Horizon Europe (2018/0224(COD))**.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability



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