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European Strategic Energy Technology Plan (SET-Plan)

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Good morning ladies and gentlemen,

It is a great honor and pleasure for me to open the Strategic Energy Technology (SET) Plan conference today in Madrid. .

I would like to start by addressing my gratitude and the warmest thank you to the Spanish Presidency of the EU on behalf of European Commission..

First for all the efforts made to host us and organize this conference, here in this beautiful city, Madrid

Secondly for your political vision and commitment in leading the Council to adopt conclusions supporting the Commission Communication on Investing in the Development of low carbon technologies. The institutional role you have played to mobilize the Council in support to the SET Plan has given impetus to its implementation and contributed to these first results we see today of the SET Plan which we proposed in 2007.

Over the last two years the industry, Member States and the European Commission, have worked together to establish a low carbon energy technology strategy.

In 2008, in Paris , together with the French Presidency, we had the first SET Plan summit conference . The 10 largest energy institutes in Europe signed a declaration to which they committed to join forces to develop low carbon technologies. This marked the beginning of the European Energy Research Alliance.

In 2009, in Stockholm together with the Swedish presidency, we significantly progressed in the development of the European Industrial Initiatives by validating the 2010-2020 Technology Roadmaps for Wind, Solar, Bioenergy , Carbon Capture and Storage, Nuclear, Smart Grids and Smart Cities and the estimated financial needs.

Today in Madrid, as I said before, we see the first tangible results of the SET Plan. This morning will be a memorable one for all of us. Because of the economic situation and the hard adjustments in public spending in many countries, we are more committed than ever to use better the resources we manage and to get the most out of them. This conference is a testimony to the changes that the European Union can make on the ground. After Stockholm, we have materialized the Technology

Roadmaps into concrete Implementation Plans as well as governance structures and monitoring systems for four of the SET-Plan Industrial Initiatives: Wind, Solar, CCS and Electricity Grids.

Here today, we the public and private sectors will engage in this adventure: to accelerate the development of low carbon technologies.

The European Parliament plays a major role in the SET Plan process. It understood the urgent need to implement the SET-Plan. In its 2010 Resolution, the European Parliament agreed on the need to strengthen the EU budget dedicated to it. The Parliament proposal to dedicate additional 2 billion € per year of the EU budget to the SET-Plan would substantially contribute to reach policy goals.

ENERGY AND TECHNOLOGY POLICY

On behalf of the European Commission, I would like to underline the fundamental role that the technology pillar, the SET Plan, is playing into the existing EU energy and climate change policy measures as well as the new initiatives.

To take the new energy policy forward effectively, we need to make low carbon technologies affordable, more efficient and more performant.

We have adopted a number of measures that pull the development of new technologies and help us to transform to a low carbon society:

- We have established legally binding targets for 2020, namely 20% renewables, 20% reduction of green house gas emissions, and 20% more energy efficiency. These binding 2020 targets should pull investment in efficient low carbon technologies to get into the market as soon as possible.
- We have also adopted a Directive on the promotion of renewable technologies and a Directive establishing the Emissions Trading System. These measures too have the effect to pull low carbon technologies to get into the market.

But we want that EU remains at the forefront of promoting climate action and of technological development in this area. The SET-Plan is doing exactly this. The concept we developed is intended to put public and private funds, at European and national level, together to support a strategic vision on technology development.

We need to focus first on initiatives that accelerate the development of the most promising technologies and reduce their lead time to the market.

We need to use public funds to lever private investment. Public funding alone is neither desirable, nor would it be sufficient, taking into account in particular today's constraints on Member State budgets. However, despite the difficult financial and budgetary situation today, these are investments that we cannot neglect or postpone.

European research efforts, both at Member States and at EU level, have had remarkable results already. EU technology has been instrumental for example for reducing greenhouse gas emissions. It has enhanced the competitiveness of our industry and created green jobs. To effectively implement and take forward the transformational energy policy that the EU pursues, we need to make efficient and low-carbon technologies affordable and competitive

Outlook

At the beginning of this year, the Commission adopted its Europe 2020 strategy for a sustainable, competitive, innovative and inclusive Europe. You are at the heart of this policy. The EU 2020 strategy gives prominence to the energy and climate targets. It sets up a vision of structural and technological changes required to move to a low carbon, resource efficient and climate resilient economy by 2050. This confirms that with the SET Plan process, we are on the right direction but we also need to accelerate progress.

The 2020 agenda lays the foundations to set out a long term vision for the energy sector around the objective of decarbonisation. We have begun working on the long term vision for energy policy up to 2050. This Roadmap will bring together a range of possible development paths for energy production and use in Europe, and look at their interactions. A variety of scenarios developed by various stakeholders and Member States suggest that very substantial decarbonisation of energy in Europe by 2050 is technically and economically feasible.

Furthermore we look to a new strategy for energy policy for the period 2011-2020

First , we have to implement what we have already proposed.

- the 2nd and 3rd internal energy market package, is essential to ensure that the market provides the right price signals for investments.
- policy on renewable energy, energy efficiency are first steps towards achieving the ambitious renewables and efficiency targets for 2020. Initiatives such as Covenant of Mayors but also Smart Cities for innovative technologies are instrumental.

Secondly, new priority areas of actions will be identified.

- By 2020, it is essential that the EU disposes of electricity grids that adequately tackle challenges posed by the large-scale deployment of renewable energy in terms of distribution and financing. A new proposal for an Energy Infrastructure Package that will focus on integrating networks on a European scale that takes electricity from the North Sea, Scandinavia and Mediterranean, for example, to the Alps, Baltics and Central Europe – and vice versa. We will need smart grids, but also strong long-distance power transmission and new interconnectors.
- Energy efficiency is the single most important element to promote sustainable economic growth. Currently we are evaluating the results so far in order to draw a new framework for energy efficiency policy. Preliminary results show that existing energy efficiency measures are still not pursued despite their undeniable benefits and the triple dividends for energy security, environment and climate action, and, often forgotten, the consumers' wallet.

All these ambitions will not materialise without addressing the technology front. To effectively implement and take forward the transformational energy policy that the EU pursues, we need to make efficient and low-carbon technologies affordable and competitive

Our key partner in the SET Plan process is the private sector, INDUSTRY. European companies are global leaders not only in wind, solar and bioenergy, but also in nuclear technologies. Our low-carbon

energy industry today, has produced 1,4 million jobs, a figure that could double by 2020 if we are prepared to make decisive investment decisions.

The companies concerned generate exports for a value of € 3,7 billion. We are commercialising and exporting our leading-edge photovoltaic panel systems, our bio-gas plants, our biofuel expertise, and our concentrated solar technologies. We are exporting our 3 and 5 megawatt windmills. These probably would not have been developed in the EU if we were not been determined to take a risk by supporting these technologies before they were mature. But we all know that we need much more, that is why we are launching the first four Industrial Initiatives today.