



SET Plan Conference: Madrid, 3 and 4 June 2010
Opening Session: Antonio Hernández García

Good morning

Distinguished Member of the European Parliament, friends of the Commission, Ladies and Gentlemen, welcome to this conference on the SET (Strategic Energy Technology) Plan.

First of all I would like to **thank** the Commission and all the participants to this conference, from both the private and public sectors, because the launch of some of the SET plan industrial activities at this conference **is one of the priorities of the Spanish Presidency of the EU.**

As it has been said before, **the SET Plan plays an essential role to achieve the EU's ambitious targets for fighting climate change**, not just for 2020, but right through to the 2050 time line, with work on this already being done with the Roadmap 2050.

The battle against climate change is, without any doubt, one of the central objectives of the European Union.

In order to prevent average temperatures on Earth rising by more than 2°C, it has been discussed about the need for developed countries, as is the case of the European Union, to substantially reduce their greenhouse gas (GHG) emissions.

Since approximately 80% of the European Union's greenhouse gas emissions come from energy use, it seems clear that we can only achieve the above-mentioned target (greenhouse gas cuts >80%) by **radically changing the way in which we generate and use energy**, and technology and research will have to play a leading role in this change.

In order to meet this objective, we will need **a change in the energy generation mix**, with growing reliance on renewable energies. This is not something we are proposing for the future, but rather something that is already taking place, and the objective enshrined in the energy and climate change package approved by the European Union in 2008 (the so-called 20/20/20 initiative) has served as an important stimulus in this area.

Energy is a basic requirement for development, be it economic, social or cultural. In addition, traditional energy resources are not unlimited, and this obliges us to make an even bigger effort in developing efficient strategic technologies with low carbon emissions.



In short, to **ensure the necessary transformation in the way we generate, transport and consume energy, technological evolution will be absolutely fundamental, and this is where the SET Plan will play an essential role.**

This is an **ambitious Plan**, which came into being in 2007, enshrining the idea that **it is impossible to meet ambitious quantitative climate change targets without the direct involvement of technology.**

Some important steps have been taken:

- At the end of last year, the Commission approved the **Communication on investment in developing low-carbon technologies** and the Energy Council of March 2010, held during the Spanish Presidency, reached some conclusions on this Communication, some of which I would like to touch on:
 1. It confirms the **essential role of the Plan in making it possible to achieve the EU's ambitious targets** on energy and climate change by 2020 and 2050, as well as in promoting the EU's **competitiveness and security of supply.**
 2. It highlights the importance **of linking the SET Plan with the "2020 Sustainable Europe Strategy"**, which will be the focus of discussion in two weeks at the European Council, with a significant section devoted to energy, as well as the **European Innovation Act, designed to make optimal use of the EU's resources and Framework Programmes in the area of R&D&I.**
 3. It acknowledges that the implementation of the **SET Plan has progressed well** thanks to the Steering Group, the European industrial initiatives and the European Energy Research Alliance.
 4. It **welcomes the efforts of the Commission and the EIB** to help improve the coordination and availability of financing for R&D&I projects in the energy sector, in order to mobilise and leverage other public and private resources.
 5. **It invites the Commission to look for new ways of combining the resources** of different actors and instruments to further develop a **joint financing instrument** that will make it possible to drive the take-up of low-carbon technologies.
 6. **It invites the EU Framework Programmes to coordinate their research programmes** with the objectives of the SET plan.



7. It invites the Commission to set up a platform of all interested financing organisations in order to exchange information and best practice as well as to coordinate their actions, as appropriate.
8. **It invites the Commission to** make progress, together with the Member States, on ensuring **suitable coordination of the efforts with international institutions**, such as the IEA or IRENA.

These are important conclusions that **highlight that this is a strategic Plan that will benefit the whole of society, and not just those involved in carrying it out.**

In more theoretical terms, if you will permit me, there are two clear **market failures**: the presence of positive external economies, and imperfect information, which requires public sector intervention to:

- Support and promote coordination between projects
- Encourage financing, stimulating public-private collaboration.

Today we can be satisfied be able to present four important industrial initiatives (wind power, solar power, carbon capture and storage and electricity grids).

However, **there is still a long way to go before Europe's leadership is consolidated** in the battle against climate change, and this **calls for concerted action** by all of us: Commission; national and regional governments, companies and financial institutions.

The way ahead will not be easy, but **I hope that the Spanish Presidency has made a useful contribution.**

I am confident that all of our contributions at this conference will help to achieve these important objectives, not just for the EU but for the entire world community.