## **EUROPEAN COMMISSION**



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Ms Laura BOLDRINI President of the Camera dei Deputati Piazza di Monte Citorio, 1 IT – 00186 ROMA

## Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the Communication 'Accelerating Clean Energy Innovation' {COM(2016)763 final}, and in particular for its favourable evaluation of the main messages. The observations of the Camera dei Deputati will be very useful in guiding the follow up to the Communication, which is currently in progress.

The transition to a low-carbon energy system poses some challenges, in particular for regions that are still heavily dependent on fossil-fuel-based industries ("coal and carbonintensive regions"). The Commission, through its smart specialisation platform and Horizon 2020, is working on supporting these coal-intensive regions to design research and innovation strategies to facilitate their transition towards a sustainable energy system. In the Clean Energy for All Europeans package adopted in November 2016, the Commission lays out a series of actions to help redirect financial flows towards the clean energy transition, including measures to strengthen transparency on the issue of subsidies and their effect on innovation. As part of the Energy Union governance proposal<sup>1</sup>, Member States are expected to plan and monitor the phase-out of fossil fuels subsidies through their integrated national energy and climate plans. Furthermore, the proposal for an Electricity Market Design Directive<sup>2</sup>, in conjunction with strengthened carbon prices through the Emissions Trading System<sup>3</sup> and Effort Sharing<sup>4</sup> proposals, aims to create a market fit for renewables, allowing to progressively focusing public support on less mature renewable electricity technologies and complement research and innovation efforts by market pull instruments for those technologies.

European Union State aid rules, including those for environmental protection and energy, enable Member States to support the development and deployment of clean energy infrastructure and technologies. For example, in April 2016 the Commission approved an Italian State aid aimed at supporting electricity generation from renewable energy sources. The scheme promotes the integration of renewable energy producers into

<sup>&</sup>lt;sup>1</sup> COM(2016)759 final.

<sup>&</sup>lt;sup>2</sup> COM(2016)864 final.

<sup>&</sup>lt;sup>3</sup> COM(2015)337 final.

<sup>&</sup>lt;sup>4</sup> COM(2016)482 final.

the market, in line with European Union Energy Union goals, and without unduly distorting competition.

The upcoming 2018-2020 work programme of Horizon 2020 is likely to allocate EUR 2 billion to the four priorities of the Communication as a minimum. Such investment is important for European Union's competitiveness in these areas, but the full development of electric storage technologies into the market, such as batteries, requires greater investments from the private sector. Therefore, the Communication also includes actions on financial instruments to increase private investment. Particularly relevant to e-mobility is the Cleaner Transport Facility<sup>5</sup>; this initiative deploys the European Investment Bank's products and new financial instruments with the objective of expanding financing for the decarbonisation of the transport sector. These two priorities, storage and e-mobility, are also supported by the Strategic Energy Technology Plan's  $^{\circ}$ : 'Batteries for e-mobility and stationary storage.' On 31 May 2017, the Commission adopted a Package dedicated to Mobility<sup>7</sup>, which complements the Strategic Energy Technology Plan in implementing the Energy Union's research and innovation priorities. The package looks specifically into the transformation of the transport sector, where e-mobility is considered as one of the solutions, and provides a detailed assessment on this technology.

The Commission will be launching a series of initiatives to simultaneously provide funding to curiosity level research, mission-oriented research and demonstration projects to encourage and accelerate the transition from the lab to the market of innovative clean energy technologies, including renewables. In addition, the Energy Union Governance proposal includes Integrated National Energy and Climate Plans, in which Member States will set out their national contributions to the 2030 energy targets and present objectives as well as policies for each dimension of the Energy Union. These National Plans would reduce regulatory risks for investors, and would encourage and reward early-moving Member States that create the right conditions for long-term energy investment in their countries.

The Commission hopes that these comments address the issues raised by the Camera dei Deputati and looks forward to continuing our political dialogue in the future.

Yours faithfully,

Frans Timmermans First Vice-President Carlos Moedas Member of the Commission

<sup>5</sup> http://www.eib.org/projects/sectors/transport/cleaner-transport-facility.htm.

http://ec.europa.eu/energy/en/topics/technology-and-innovation/strategic-energy-technology-plan.

https://ec.europa.eu/transport/modes/road/news/2017-05-31-europe-on-the-move en.