

## PCP related initiatives in the United Kingdom – Energy Technology Institute

The UK authorities notified between end of 2007- mid 2008 the R&D&I measures foreseen in the statutes of the newly created United Kingdom Energy Technologies Institute (add link to ETI website). The R&D&I support measures that were notified to the Commission include pre-commercial procurement.

The ETI is a long-term public-private partnership between the UK government and over 11 leading energy companies, with a total funding of GBP 1.1 billion over 10 years (2008-2018). The focus of the ETI is on so-called "middle ground" R&D between the longer-term fundamental research (typically funded by the UK Research Councils) and the deployment of proven technologies in large scale demonstration projects (supported by the new Environmental Transformation Fund). The objective of the notified measure is to accelerate the development, demonstration and commercial deployment of energy technologies in order to increase energy efficiency, reduce greenhouse gas emissions and help achieve energy and climate change goals. The ETI focuses on key energy challenges, such as large-scale energy supply technologies, energy security of supply, end-use efficiency and demand management, transport, small-scale energy-supply technologies, support infrastructure, and the alleviation of energy poverty.

The below text quoted from the ETI notification to DG COMP services at the European Commission explains how the ETI procedures ensure that R&D procured through PCP is contracted at market conditions, therefore not entailing State aid:

"The ETI may procure R&D services from the Research Consortia members and share ownership and/or exploitation rights over the Arising IP. The UK authorities confirmed that the risks-benefit sharing will be in accordance with the Commission Communication on Pre-commercial Procurement, which sets out conditions under which public authorities may procure R&D on a risk/benefit sharing basis with the companies providing the research services involved, without the public funding constituting State aid.

(26) To exclude any unfair advantage to the Research Consortia, it will be ensured that the market value of the future economic benefits and risks of Arising IP assumed by the Research Consortia corresponds to their individual contribution. This will be reflected in the reduced price for R&D service paid by the ETI, compared to the exclusive contractual research. External independent experts will ensure that risks-benefit sharing in terms of Arising IP will be at market conditions. There will be a competitive procurement process to ensure maximum competition, transparency, openness, fairness and pricing conditions.

(27) The ETI contract research based on risk-benefit sharing will be funded solely from the public funding component of the ETI. The costs and funding of this type of contractual research will be separated from other funding activities to ensure that there is no spill-over of the public funding. The ETI will get the ownership/access rights to Arising IP on a nonexclusive basis. The ETI is expected to have the right to publish non-patented information, in return for its funding.

(28) Information about the R&D results and Arising IP would be made freely available on equal terms to any business. The Industry Members and Programme Associates will get no preferential rights in relation to the Arising IP of the ETI and will be on exactly the same footing as any other business."

Link to ETI PCP notification to DG COMP

[http://ec.europa.eu/competition/state\\_aid/register/ii/by\\_case\\_nr\\_n2007\\_0570.html#593](http://ec.europa.eu/competition/state_aid/register/ii/by_case_nr_n2007_0570.html#593)