European Innovation Policy

Venturing to new energy horizons

Eurelectric position paper

July 2018

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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WG Innovation

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Enabling research and innovation in clean energy

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Eurelectric is committed to assisting the European electricity sector in the process of developing cutting-edge business models and breakthrough technologies - an indispensable element to ensure a leadership role for this sector in 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 paper 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.

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Introduction

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 digitalisation are unlocking new capabilities but also unforeseen challenges. Together with this trend, a new centralised generation, mainly based on large renewable power plants (largely wind and photovoltaic (PV) ones) competes with the conventional generation in most cases. Nevertheless, the robustness of the energy supply requires to be able to manage those new power plants together with the decentralised generation in a smarter way where the artificial intelligence will play a key role (big data management, machine learning and artificial intelligence (AI)).

The clean energy transition is a huge opportunity to boost the European economy while meeting ambitious greenhouse gas emission reductions. It is also a means to secure Europe's global position in the clean energy race.

Under the next Multiannual Financial Framework (MFF) for the period of 2021-2027, the EU intends to spend €102.5 billion on research and innovation. A total budget of €97.6 billion will be allocated to Horizon Europe, whereas the Euratom Research and Training Programme and the International Thermonuclear Experimental Reactor (ITER) will receive respectively €2.4 billion and €6.07 billion[1]. Increased investment in clean research and innovation – from both the private and public sectors and ensuring the scaling-up and widespread deployment of these technologies and services is necessary in order to reach the European decarbonisation objectives.

In such a context, this position paper assesses the performance of the European policy landscape aimed at innovation in the power sector and the specific policies implemented at the EU level. It also includes recommendations to the EU policymakers that could shed light on the main challenges ahead, thus, inspiring the design of the future research and innovation policies applied to clean energy – in particular Horizon Europe, the next Framework Programme for research and innovation.

[1] https://eur-lex.europa.eu/resource.html?uri=cellar:c2bc7dbd-4fc3-11e8-be1d-01aa75ed71a1.0023.02/DOC_2&format=PDF

Feedback on the general landscape of the EU innovation policy

The EU provides a high number of funding programmes and lending schemes to help companies, local authorities, regions and Member States to successfully develop and implement innovative energy projects.

The EU innovation landscape

Funding energy science, technology and market deployment is the most important policy lever the Commission should put in place, in order to boost research and innovation in clean energy solutions as well as to bring results to the market quickly and successfully. In this sense, R&D grants are fundamental since research and innovation investments are often high-risk activities with long return on investment periods.

The Regulation on the Governance of the Energy Union and in particular its provisions on the fifth dimension of the Energy Union - research and development - should be referenced in terms of national measures and objectives in promoting clean energy innovation in formulating current and future Horizon Europe work programmes.

Innovative energy projects with R&D focus are mainly funded under Horizon 2020 – the 2014-2020 Framework Programme for research and innovation. It has a budget of €5.9 billion, providing grants for research and innovation in greater energy efficiency, technological breakthrough in renewable energies, the overall energy system and decarbonising energy generation and consumption.

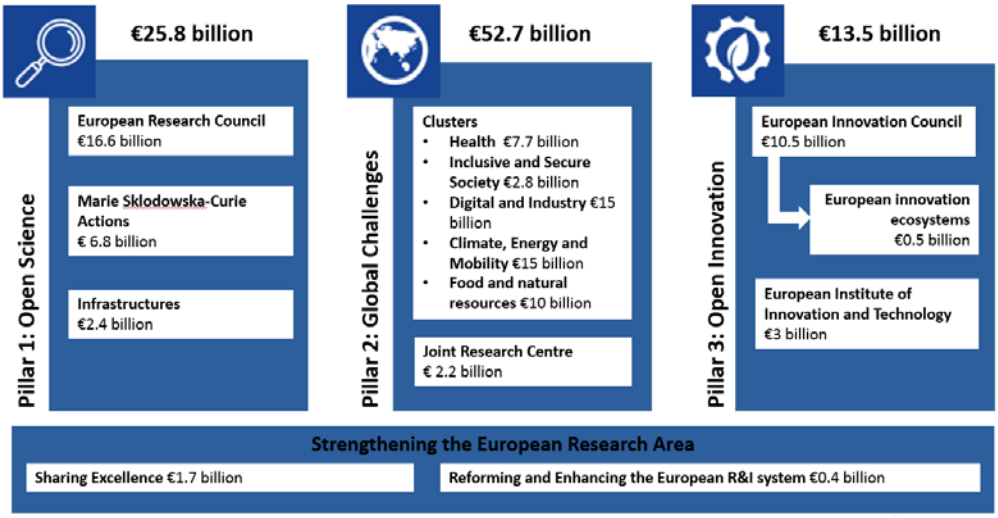

Figure 1: Horizon Europe structure

From 2021, Horizon 2020 will be replaced by Horizon Europe highlighting the expanding foresight the EU would like to inspire at the national policymaking level. The new Framework Programme is designed around three pillars (figure 1): 'Open Science', 'Global Challenges and Industrial Competitiveness', and 'Open Innovation'. The second pillar is the most relevant and critical one for the power sector; it will support collaborating research between academia and industry around

five priority areas, among them 'Climate, Energy and Mobility'. This cluster will receive €15 billion for the period of 2021-2027[2].

Compared to the Horizon 2020 budget breakdown, the Commission's proposal for Horizon Europe has reduced by €744 million the 'Climate, Energy and Mobility' Cluster budget allocation. Provided that the Framework Programme aims to reflect the importance of tackling climate change - in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals - and taking into account the overall target of 25% of the EU total budget contributing to climate objectives, set by the Commission proposal for the 2021-2027 Multiannual Financial Framework, this budget reduction should be carefully considered during the current legislative process. When the possibility arises to revise either the total budget allocation or the internal distribution among the different clusters, better attention should be dedicated to providing Climate, Energy and Mobility topics with adequate resources, as requested by the energy sector's new demands.

Recently, the EU institutions (the European Commission and the EIB group) created new financial instruments that are slightly less risk-averse, in order to accelerate the energy transition and to leverage innovation in clean energy solutions in Europe (figure 2).
In particular, the InnovFin Energy Demonstration Project and the European Innovation Council pilot (high-risk high-reward and bottom-up philosophy) launched by the Commission fall into this category. Another example is the Clean Transport Facility (CTF), created by the EIB and the Commission in December 2016 to accelerate the decarbonisation of the transport sector by supporting deployment of alternative fuels (such as electricity or renewable gases such as hydrogen).

[2] https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-horizon-europe-regulation_en.pdf

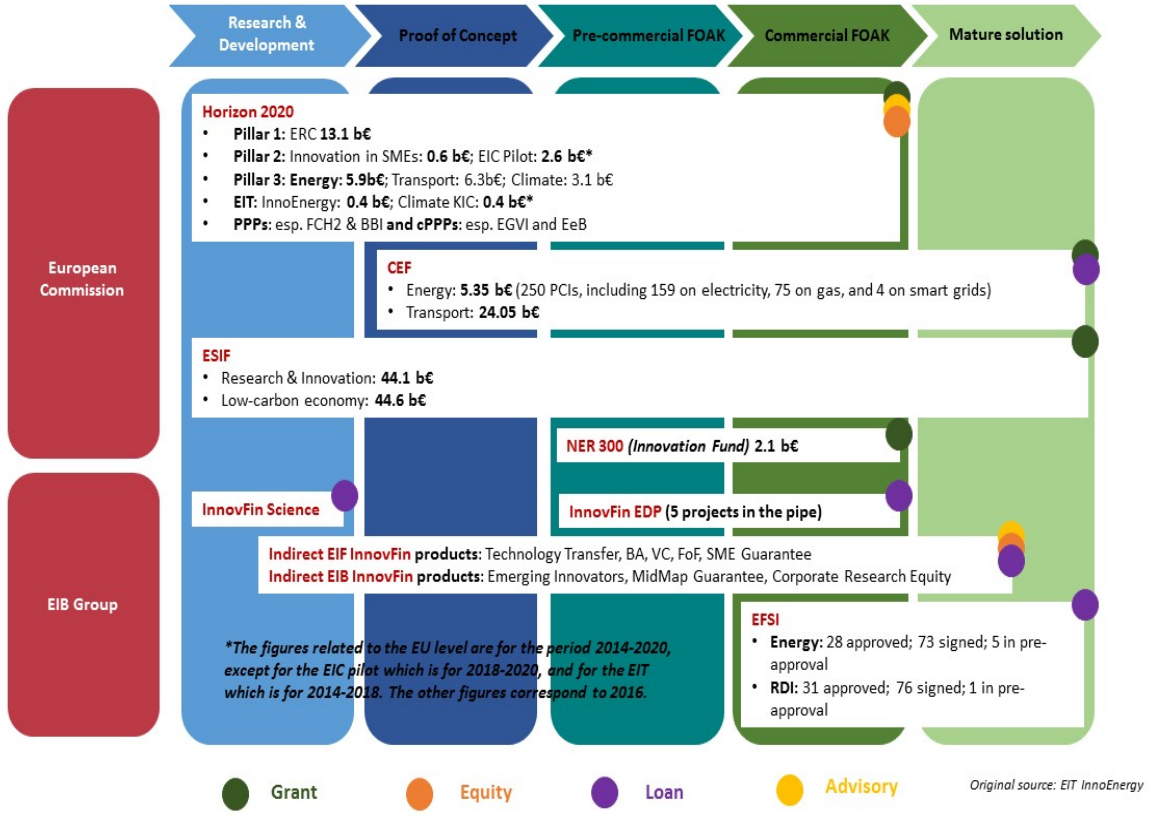

Figure 2: Overview of the European innovation landscape

Further administrative simplification

Despite the fact that great improvements have been achieved in Horizon 2020 compared to FP7, many stakeholders – in particular from the private sector – are still reluctant to apply for the EU grants. This is mainly due to a high over-subscription of calls and as a consequence a very low success rate, the lack of harmonisation between the various instruments and the rules for participation, exacerbating the overall bureaucratic complexity of the landscape and thus requiring an important amount of work.

In this perspective, increasing synergies among different funding programmes is of paramount importance. In the energy sector, synergies between programmes that present complementarity aspects, such as project Technology Readiness Levels (TRLs) in the case of Horizon 2020 and Connecting Europe Facility (CEF), have to be fostered and provided with clear implementation mechanisms. One more significant example is represented by the Horizon 2020 synergies with structural funds, where state aid implications arise, with the LIFE programme for environment and climate and the newly developed Innovation Fund within the ETS framework.

Administrative processes remain an important barrier for companies to participate in the EU-funded research programmes. Further simplification should be pursued to ease subscription processes; this would support faster innovation cycles and lower administrative burden.

A better alignment in terms of procedures and access rules between different instruments should be considered. Given the complexity of the landscape, similar processes would allow greater

efficiency for companies participating in several research programmes or applying for several EU grants.

Particular attention to an accurate timing of funding programmes and calls is required, and the time gap between two calls on the same technology should also be reduced. This could help solving today's over-subscription to the EU calls. The introduction of more short-term and more focussed programmes, such as hackathons, in the EU innovation landscape could also be a solution for over-subscription and addressing complexity challenges precluding participation.

It is of utmost importance for the EU to pursue efforts to simplify administrative processes of the different instruments, as they are highly valuable for innovators and companies and participating in them should not be seen as a certain trade-off between focus on commercial activities and the need to spend additional resources on external consultants and administrative processes.

The financial added value of the EU innovation policy

Current EU-funded research programmes and lending schemes benefit stakeholders participating in these instruments by adding substantial financial value compared to what the Member States could achieve through separate actions at national, regional or local levels.

However, the results of previous programmes are not as visible and accessible as they should be in order to inspire acceptance, refinement and further deployment across Europe. Building on the EC experience with CORDIS (Community Research and Development Information Service), a central information hub accounting for the outcomes of past, current and recently launched projects should be designed to disseminate the aforementioned outcomes and hence foster their success through their proper refinement in their target use cases and/or national legislation across the EU Member States.

In addition, every project could include a final analysis related to its deployment potential across Europe, in such a way that an integrated report could show the possibilities of the real application of a technology or an approach in the different Member States.

The EU innovation policy focusses on international cooperation and funding, thus helping to avoid parallel research activities on national levels and facilitating market orientation. In Horizon 2020, for instance, the EU added value is given by the promotion of an innovation eco-system built on transnational and multidisciplinary collaboration among different actors operating along the whole value chain. In such funding programmes, the industry sector plays an important role and companies of all sizes proposing projects for technologies with different Technology Readiness Levels (TRLs) represent key components. Cross-border industrial collaborative research and innovation are to be continued under the next Framework Programme, in order to increase the overall competitiveness of the European industry sector.

While Horizon 2020 allows to achieve higher TRLs, the issues of Manufacturing Readiness Levels (MRLs), and even the Reuse Readiness Levels (RRLs) and Societal Readiness Levels (SRLs), are rarely concerned because of the own nature of this instrument. It is needed to reinforce other

instruments, such as EIT-Innoenergy, in order to ensure that the European technology contributes in a real way to the European clean technology targets.

More human and financial resources dedicated to innovation

Research framework programmes are very demanding with respect to administrative workload requirements, and the participation often requires consistent allocation of additional human and financial resources. However, utilities are often lacking the necessary workforce and financial resources to fulfil this task. The main objective of accessing the adequately skilled workforce allows for capturing efficiently the value delivered by the EU instruments and for the implementation of new technologies.

This will also allow for the electricity industry to remain as close as possible to innovation and be reinforced as a foundation of a robust and competitive economy based on the real implementation of the knowledge and solutions generated by innovation. If the industry is too far from innovation, it does not create fast and effective returns in terms of real economy.

Enhancing EU innovation policy to boost research and innovation in clean energy solutions

The EU is resourceful and can play with several policy levers to create suitable framework conditions and unleash Europe's potential for innovation, which is instrumental and aligns with the renewed European industrial strategy including its decarbonisation objectives. To this end, Eurelectric advocates the following actions to enhance the EU innovation policy and better enable the power sector to capture the present innovation opportunities.

Adopt a broader approach

Innovation policy must become a tool of energy policy, avoiding focus on individual technologies in favour of an expanded and integrated perspective encompassing interconnected impacts on the overall power system.

The EU innovation policy should recognise the critical importance of the electricity industry's mission and its direct impact on the economy and the European society. Power is moving from a linear supply-demand model towards a more decentralised and, more importantly, digitalised[3] electricity system, where at the same time a new centralised sustainable generation will keep its role. Moreover, a higher penetration of renewables means wider storage requirements, from intra-day scale up to seasonal scale. Therefore, the EU approach should evolve from a sectoral orientation based on individual technologies to a holistic approach incorporating wider systemic issues, cross sectoral applications, and regional implications.

[3] By digitalised, the reference is made to the use of computer science (big) data management and artificial intelligence techniques that can derive insights out of the vast amounts of raw monitoring data within the grid, from the production sites to the customers' home electrical appliances.

As a result, the European power sector agrees with the mission-oriented approach developed by the European Commission for Horizon Europe. Such an approach could allow for more global cooperation in tackling the most difficult technological challenges and a better exploitation of cross-sector synergies. Resources would be more efficiently allocated through more focused investments. While missions have to remain broad and inspiring, the operational details of obtaining the objectives defined in their context must be subject to a transparent governance structures and processes inclusive for all key stakeholders. Missions indeed should always move from being technology specific to finding the right tools for solving broader climate and energy challenges.

However, the Commission should ensure that the new mission-oriented approach does not lead to an over-complicated system, which would have a detrimental and counter-productive effect, missing the final objective of stimulating innovation in the European Union.

The programmes should also allow for a degree of flexibility in order to adapt to the reality of each country – the necessities and what is within the technical and financial scope of companies depending on weather conditions, geography, social environment, etc.

Smoother functioning of the EU programmes

There is a need for a smoother functioning of the different EU research and funding programmes. It is of paramount importance that the EU creates an adequate framework optimising the articulation between the different instruments to reflect political, regulatory and social perception challenges that should be addressed in order to lead to certain processes or technologies, which are viable for mass market deployment.

Eurelectric has been consistently underlining the importance of cooperation in innovation. Funding programmes should incentivise projects bringing together different actors operating along the value chain but also private and public actors, research organisations and academia, manufacturers and customers as well as cooperation across regions. Although that is done today it is not effective enough as the application stage does not allocate sufficient time to this task and does not ensure that partners are involved consciously and not in a mere attempt to meet diversity criteria.

Funding frameworks' setup should also avoid silos between sectors. Sectoral integration represents a huge opportunity for the energy sector as power, heat, and transport are increasingly interconnected. Increasing synergies between sectors would help address challenges such as clean mobility or developing affordable and integrated storage solutions.

Finally, the structure of work programmes should also allow for better identifying the leading actor for each topic in a specific project. While an integrated approach on the topics' objectives is being promoted, it should be easier to recognise which activity of the value chain shall lead a project. This would increase efficiency and return on innovation investments. Longer projects should also be reviewed and the need to potentially adapt objectives and end deliverables should be considered.

Strengthen public-private dynamics

The public and private sectors have to work hand in hand to reinvent the power system. R&D and demonstration on their own will not support innovation in the power sector. A great number of critical innovation activities take place beyond the R&D and demonstration – throughout commercialisation, early deployment and market scaling. The private sector is and will continue to be the key player in ensuring innovative solutions and products leave the comfort of labs. The market uptake of new technologies can take place with the required effort that only private investment can trigger in a cost-efficient way. More emphasis should therefore be placed to promote leveraging innovation results. An innovative regulatory framework should acknowledge, support and certainly not hinder such developments.

Mobilising additional private funds in times of political and economic uncertainty may however prove difficult as research and innovation is a risky venture by definition. Here public EU frameworks and national policies have an indispensable role.

Boosting private investment is therefore the main priority. The EU, together with Member States, has to drive the investments in innovation toward the direction of the benefit for all, securing the widest diffusion of knowledge and research results. Where the market cannot provide it, policy must create the business case for investment in innovation and also find new instruments to manage the inherent risk of getting innovation to the market in a cost efficient way.

Define clear priorities and objectives

Building on the progress already achieved under the SET Plan, the Commission should ensure that funding is focused more clearly on strategic priorities defined in close cooperation with the power sector.
Under the Horizon 2020 Work Programme for 2018-2020, the Commission flagged four research and innovation priorities: (1) Decarbonising the EU building stock by 2050; (2) Strengthening the EU leadership on renewables; (3) Developing affordable and integrated energy storage solutions; and (4) Electro-mobility and a more integrated urban transport system.

The two latter priorities are of critical importance for the European electricity industry. They represent two big challenges to be addressed by the power sector and that require more efforts in terms of research and innovation.

The electricity industry calls for inclusion of the following priorities to be addressed under the different EU research programmes:

- Integration of the different energy grids into a holistic energy system: smart grid structures in large networks, micro-grids and initiatives towards communities to participate
- Overview of challenges related to safety, quality of service and security
- Substitution of fossil energy sources in industrial processes
- Affordable energy efficiency solutions for all sectors

- Digitalisation of the energy sector through implementation, within the operational environments of energy enterprises, of data management (incl. visualisation) and artificial intelligence techniques catering for 'intelligent' data driven decision-making with proven improvements in performance, efficiency and cost savings
- Electrification of the economy beyond transport and buildings, and integration with digital technologies fostering seamless movement across the EU borders
- Improving flexibility of existing technical units

Research and innovation programmes should be better adapted to the power sector's needs and challenges it is facing today. Finally, the innovation policies should not only focus on inventing the new but also how the existing technologies can find their way into the future.

Enabling the power sector to capture the present innovation opportunities

The EU should set the example for national and European political ambition and create the right business environment for innovation uptake through targeted signals, policies, standards and regulations. Financial instruments should be made accessible and available to private actors. It is crucial that the industry sector remains at the heart of innovation.

Incentives for innovation in regulated businesses[4]

In order to allow for the penetration of innovative assets and solutions in the energy sector, the regulatory bodies should incentivise innovation to happen and be deployed.

One of the most problematic bottlenecks for innovation nowadays is the rigid regulatory framework around the energy industry. There is clearly a lack of "innovation sandboxes" having no or a limited set of regulatory requirements where innovation can thrive. Innovators in the energy sector would greatly benefit from the creation of "low regulation islands", where experimentation, prototyping and piloting can be done faster and in a more efficient and cost-effective way.

Furthermore, it is about providing strong and consistent incentives for private investments in clean energy research, development and deployment. The value chain of the electricity sector is made of regulated and unregulated entities; thus facing different challenges in terms of innovation. Although Distribution System Operators (DSOs) play a key role in implementing innovative ideas to improve the functioning of electricity networks, currently, throughout the EU, regulatory frameworks for natural monopolies such as distribution grids are rarely covering investments into innovation. They have rather the potential to prevent innovative behaviour from regulated actors.

DSOs are tackling some very specific challenges to their business model that by default rule out riskier initiatives such as investing in innovation. These limiting factors relate to the fact that DSOs profits are always adjusted to maximise efficient operation of the grid and minimise costs for grid customers.

[4] For more details, see Eurelectric paper, Innovation incentives for DSOs – a must in the new energy market development

A way to speed up research and innovation in this regulated areas is a regulatory framework allowing for the remuneration of expenses for R&D, piloting and introduction of new technologies. At the same time, it should be predictable and stable and have no or as few bureaucratic obstacles as possible. In this regard, the Commission should promote regulatory frameworks that allow and incentivise participation of regulated actors in innovation actions as well as the uptake of innovation solutions in their regulated activities. Another approach would be to promote and support exchange of best practices and potential innovation schemes between national regulatory authorities within the EU but also their counterparts abroad. Nowadays, the partnership between the DSOs and the regulators is crucial to achieve a new regulatory contract willing to directly invest along the whole innovation chain. More than this, a "regulatory sandbox" approach might be taken into account to proof new technologies and business models in a near-real environment.
On the other hand, unregulated entities should be incentivised with a fiscal discipline that encourages companies to spend money in applied research – and not only in frontier research as it is often the case.

Prioritise demonstration and commercialisation

Demonstration and early deployment are indispensable parts of the power sector innovation chain. Further support mechanisms are needed in order to complement R&D support. Thus, the Commission should design R&D and demonstration programmes accordingly, to ensure demonstration receives the attention and the resources it requires.

It should be pointed out that progress has been achieved. The budget of the InnovFin Energy Demonstration Projects has been significantly increased, using Horizon 2020 funds and the undisbursed funds from NER300's first call. Its scope has also been broadened to cover additional research and innovation priorities.

As foreseen in the Commission's Horizon Europe proposal, a European Innovation Council (EIC) will support innovators with breakthrough ideas and market creating innovations currently facing high risks due to the fragmentation of the innovation eco-system, lack of risk finance and risk aversion. This will represent a substantial part of the Open Innovation Pillar, or third Pillar. EIC will make use of two complementary instruments: a pathfinder, for projects from early technology to pre/early commercial, and an accelerator, for projects from pre/early commercial to market & scale-up. Within this framework, defining the role of utilities and large organisations already undertaking start-up incubation or acceleration activities is important to maximise the contribution of each different actor in the innovation ecosystem.

However, support for manufacturing proof of concept when needed and commercialisation should still be expanded. Not only does demonstration enable real-world validation of emerging R&D findings, but when integrated within an effective overall innovation policy, it is also a crucial step towards commercialisation and subsequent widespread deployment.

Perhaps there is room for support manufacturing, commercial and market pilots, similarly to support mechanisms that exist today for technology pilots. Testing in real market conditions is of critical importance for innovation uptake and deployment.

Support for “mature innovation”, adaptation and penetration of technology best practices (technology development based on adaptation of innovative technologies) should be broader. When the original idea neither fits into tight innovation funding rules (because the idea has already been technologically proven, probably in developed markets it also has a positive business case), nor does it stand on its own under pure market conditions (e.g. because the lack of a regulatory framework in new markets), it would be particularly important for such projects, to receive the EU innovation funding.

This way for example, the adaptation of Western European best practices to Central and Eastern European markets could be supported, which could also help improving the utilisation of the “initially spent” innovation funding. Bringing and adapting new technologies into a “new” region (i.e. entering the market, necessary regulatory adjustments, possible further development of the original product/service) requires extra efforts, therefore should be supported. At the same time the rate of success would be higher in case of such “mature innovation/best practice adaption” projects, as well as the impact on clean transition.

It is very common that promoters of prototypes and pilot projects have trouble getting on time all the necessary permits to install prototypes that will have a limited life (just the time to test the hypothesis of the project). The regular permitting processes for conventional facilities are focused on requirements that demonstration equipment has trouble to meet due to the lack of standards for a technology that is not mature yet. Pilot and demonstration projects deserve specific and streamlined permitting processes. That would help startups to quickly test their solutions to the market and improve in their acceleration and competitive process. For startups “time is money”, so supporting them with streamlined permitting would be as effective and smart as providing them with financial support. So, it would be highly beneficial and innovative to have a common European “fast pass” permit to quickly deploy demo projects.

Strengthening technology export

Developing countries are valuable markets for the European electricity industry that can export its technology and increase its competitiveness.

The Commission developed several initiatives in order to promote SME internationalisation. For example, the Enterprise Europe Network (EEN) has been extended to additional third-country markets in order to facilitate business cooperation, technology and knowledge transfer as well as research project cooperation.

However, the Commission should make sure not to leave companies alone in promoting their products or services outside of Europe. There is a need for a ‘Common European Promoting Agency’ that would collect all the European technologies and present them outside of Europe in a structured and effective way. This would allow for boosting exportation of technologies developed in Europe to third-country markets, and support economic growth.

Advocating new players' innovative ideas

Start-ups represent the most promising players in the field of innovation. However their participation in R&D projects and exploitation of their expertise is rather limited due to these companies' lack of experience with commercial process. Similarly, established companies could learn immensely from start-ups' agile and flexible organisational structures.
A possible way of integration of fresh ideas and new approaches of start-ups into projects funded by the Horizon Europe programme is the involvement of incubators that can ensure start-ups will focus on research activities and, in parallel, guarantee project partners with sound administrative and financial capacities.

The European electricity industry is committed to provide the necessary solutions in order to meet the challenges of the clean energy transition and to help constructively shape the innovation landscape in Europe. However, European innovators' abilities to develop future solutions are limited by the obstacles when innovative solutions and products have to reach the market and be deployed at scale. European innovation policy should therefore focus on demonstration and commercialisation through developing further support mechanisms.

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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