

Key points of the GDF SUEZ Position

on the proposed Regulation establishing Horizon 2020- The framework Programme for Research and Innovation (2014-2020)

*GDF SUEZ welcomes the proposal for the regulation on HORIZON 2020 – the future European Framework Programme for Research and Innovation – and its current structure of three pillars which particularly promotes industrial competitiveness and social challenges, among them energy, transport and environmental challenges. Besides, GDF SUEZ fully supports the new European approach of a unique framework for research and innovation covering **the full innovation chain**, including research, demonstration and pilot projects.*

Key general messages

- GDF SUEZ welcomes the overall proposed budget of € **80 billion** as a necessary investment to strengthen competitiveness and boost research and innovation in Europe. We particularly support the largest budget being dedicated to “societal challenges” in order to transform the political objectives of European strategies into feasible actions.
- GDF SUEZ advocates for a **multidisciplinary approach** in order to foster synergies between different European programmes and instruments. GDF SUEZ pays special attention to the **necessary coordination** between the Euratom part of Horizon 2020 and the programme itself.

On the Rules for participation

GDF SUEZ fully supports efforts for simplification of the proposed rules of participation and reduction of time to grant. We are convinced that improvements are needed in order to attract a greater participation of the private sector and maximise public/private leverage.

- Nevertheless, in GDF SUEZ’s view, simplification should not mean lack of flexibility. **Flexibility may be introduced** in the rules of participation such as those concerning the size or type of projects.
- To foster industrial participation to the programme, it must be guaranteed that **at least 50% of the total costs of a project (direct and indirect costs) will be refunded**. We welcome the fact that Horizon 2020 suggests to refund 100% of direct costs. However we are very concerned about the methodology to calculate indirect costs (i.e. 20% of direct costs) as we experience that these costs are often an important share of the total costs. Therefore, we suggest the continuation of FP7 rules allowing the application of the **participant’s usual accounting principle** to determinate what should be considered as direct or indirect costs.
- The principle of **one single reimbursement rate per project** is supported by GDF SUEZ. Nevertheless, we would like to underline that the **coordination part** of any project should remain funded at 100% as serious coordination tasks are always necessary to fulfill the application requirements for projects funded under the frame of European programmes. We also emphasize that it is necessary to have a clear vision of the reimbursement rate before the submission of any proposal.

On the Specific objectives

GDF SUEZ warmly welcomed the **three strategic objectives** identified in Horizon 2020, covering the main interests in EU research and innovation. We particularly support the focus on the “industrial leadership” and “societal challenges” pillars but advocate for **strong synergies between them**, as it will be necessary for some horizontal holistic projects (i.e. smart cities: combination of waste management, urban transport, district heating and cooling, energy efficiency...).

Industrial leadership

GDF SUEZ notes the efforts of the European Commission to increase the participation and the competitiveness of the European industry in the future Framework Programme.

- GDF SUEZ wishes to underline the contribution of **biotechnologies** to foster the development of new energy sources (i.e. biomethane). Therefore, the link with the energy sector should appear more clearly in the part related to biotechnology. (*paragraph 1.4 part 2 annex 1*)
- GDF SUEZ welcomes the proposal of the European Commission to support technologies enabling energy-efficient buildings (*paragraph 1.5.3, part 2, annex 1*). However, energy efficiency in buildings should not only be addressed through sustainable construction materials. **Efficient energy heating and cooling technologies** (such as cogeneration and district heating systems, micro-cogeneration or gas heat pumps) play an important role in increasing energy efficiency. Moreover, smart meters and other demand-side management systems empowering costumers to manage their energy consumption should be promoted.
- Projects aimed at moving to sustainable and low-carbon technologies in energy-intensive process industries, should also promote the **integration of renewable energies in the technical process**. (*paragraph 1.5 part 2 of annex 1*)

Societal challenges

GDF SUEZ warmly welcomes the approach based on societal challenges proposed by the European Commission. Notably, we pay special attention to the challenges related to “*secure, clean and efficient energy*”, “*smart, green and integrated transport*” and “*climate action and resource efficiency including raw materials*”. To avoid creating artificial separation between the different sectors, a **coordination between the three challenges** is essential, especially for groups like GDF SUEZ which operate a wide range of activities.

➤ ***Special focus on Energy***

GDF SUEZ fully supports the **important emphasis given to energy** in the Horizon 2020 proposal compared to previous programmes. Energy is obviously essential to contribute to society challenges. Besides, given the major European political ambition of moving towards a low carbon society, an unprecedented innovation effort will be required. In this matter, we fully welcome the **related proposed budget** to “*secure, clean and efficient energy*” as a fifth of the overall societal challenges budget.

- GDF SUEZ recognises the **crucial role of the SET-plan** to define European priorities in the energy technologies as well as to align European and national R&D agendas in that area. We particularly support the aim of increasing energy efficiency and reducing carbon footprint at all scales: new and retrofitted buildings, cities and territories, pilot or demonstration projects of renewable electricity production (including energy from waste) and of new grid technologies to manage RES balancing across the European grid. **Furthermore, we fully support the development of alternative gaseous fuels either hydrogen or bio-gases.**
- However, we would recommend to introduce **new subjects or flexibilities** in order to adapt Horizon 2020 priorities and actions to changing needs and take into account the evolving nature of science, technology, innovation and societal challenges.
- GDF SUEZ is particularly pleased to notice that **energy storage is recognised as a key component** of the new European electricity grid. We would suggest being more ambitious in this matter by addressing technological breakthrough such as bulk energy storage including the use of gas infrastructure to store and transport the surplus of renewable electricity that could also open a new routes for CO2 re-use.
- GDF SUEZ would suggest also to address the R&D issues of **safe and environmental friendly unconventional gases production technologies.**

➤ *Special focus on surface transport*

In addition to electric mobility, GDF SUEZ would suggest to also address the R&D issues of the **use of Liquefied Natural Gas (LNG)** as a fuel for trucks, ships or barges in order to reduce the pollutants and CO2 emissions of the surface transport.