



## Unspent EU money to fund clean and efficient energy projects

**Innovative projects to improve energy efficiency in areas such as urban transport, public lighting, and distance heating and cooling could get up to €115 million in EU funds that would otherwise go unspent under changes to EU rules on financial assistance for energy projects approved by the Industry, Research and Energy Committee on Thursday.**

When EERP was first proposed, Parliament sought unsuccessfully to include energy efficiency and renewable energy in the programme. The European Commission nonetheless promised to consider using any funds unspent by the end of 2010 for efficiency and renewable energy projects, which stimulate economic recovery, create job opportunities and help in the battle against climate change.

The European Energy Recovery programme (EERP), which started in 2009, aims to fuel economic recovery by funding energy projects such as cross-border gas and electricity inter-connectors, offshore wind parks, and Carbon Capture and Storage projects (CCS). Out of €3.98 billion planned for 2010, €115 million has yet to be committed, and the rule changes are needed to re-allocate the unspent money by the end of 2010.

MEPs emphasize that regional and local projects create many new jobs, which promote social integration and make regions more attractive. Financing energy efficiency and renewable energy projects also helps to achieve the EU targets of producing 20% of energy from renewable sources and reducing total energy consumption by 20% by 2020.

### Possible beneficiaries

The rule changes proposed by the Commission and backed by the committee create a financial instrument to support energy efficiency and renewable initiatives using uncommitted funds from the EERP. The funding should go only to measures that have a rapid, measurable and substantial impact on economic recovery, increased energy security and reduction of greenhouse gas emissions. Funding of technical assistance to projects should be provided through public financial intermediaries, to maximise its impact in the short term, with the highest possible benefits on economic activity and job creation.

The types of projects that could be eligible for funding amounting to about €115 million (the final amount will be known by the end of 2010) are:

- investments in combined heat/power and district heating/cooling networks, in particular from renewable sources,
- decentralised renewable sources integrated in electrical grids,
- clean urban transport, with an emphasis on public transport and electrified and hydrogen vehicles, and
- efficient street lighting and outdoor lighting of public infrastructure, electricity storage solutions, smart metering, and smart grids.

The proposed rule changes were carried with 49 votes in favour, none against and 4 abstentions. They should be put to a vote by Parliament as a whole in Strasbourg in October.

# Press release

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