

SMEs central to integrating AI into climate action, say stakeholders

By Molly Killeen | EURACTIV.com

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The EU has set a number of targets in both areas with, for instance, the Digital Decade targets on one side and the European Green Deal on the other. [Shutterstock / metamorworks]

This article is part of our special report AI for sustainability: Leveraging technology to power the twin transition.

Small and medium enterprises will be central to ensuring the twin green and digital transition succeeds, and that technologies such as AI are integrated into these processes, stakeholders emphasised in Brussels this week.

Policymakers and business leaders discussed the role of AI in achieving the EU's twin transition goals and the roles the private and public sectors have to play at an event on leveraging digitalisation for decarbonisation, hosted by the Lisbon Council and Amazon Web Services on Wednesday (8 February).

The EU has established several aims in both areas, with the Digital Decade targets on one side and the European Green Deal on the other.

Speakers at Wednesday's event, however, emphasised that the two should not be thought of as parallels but as combined tracks, with technology thoroughly embedded in climate goals.

Also, the importance of SMEs in spurring innovation when it comes to green tech and the twin transition was repeatedly highlighted throughout the discussion, in addition to the importance of the relationship between businesses and governments in working towards digital and climate goals.

“If we need to reach net zero, which is the biggest challenge that humanity faces on climate change, we absolutely need to integrate AI and technology” into environmental work, said Maria Mandiluce, CEO of the We Mean Business Coalition.

“It is something that needs to be integrated. It is not something that will work in parallel.”

AI and related innovative technologies can play a key role in accelerating the green transition and will be crucial to achieving Brussels’ Digital Decade targets, which include the sustainable digitalisation of businesses and public services, stakeholders repeatedly emphasised.

AI can aid this “by making it both easier and more accessible for even more people to help develop and deploy clean energy technology”, said Hassane Elias Kassouf, head of Amazon’s Cloud Computing Services (AWS)’ worldwide innovation programmes in energy and utilities.

Work on setting climate goals at the EU level is ongoing, with last week’s presentation of the Green Deal Industrial Plan, for instance, said Vincent Berutto, head of unit for research, innovation, competitiveness, and digitalisation at the European Commission’s energy department.

“At the same time, we need to further reap the benefits of digital solutions in the energy sector,” Berutto said.

“We’ve got an energy sector that is becoming increasingly electrified, more and more decarbonised, more and more decentralised and integrated. For that reason, I think AI and digital solutions are playing an increasing role.”

In the energy sector, Berutto added, the involvement of innovative technologies comes in several areas, from providing flexibility and ensuring that demand and supply are met at all times with renewable energy sources.

At the Commission level, there are some ongoing programmes involving the incorporation of technologies into energy solutions. In one, with a focus on promoting investment in smart grids, the EU executive is working with transmission and distribution system operators to construct a digital twin of the EU’s electricity grid.

A declaration of intent to this effect was signed by industry organisations in December, following the project’s proposal in the Commission’s October 2022 action plan for digitalising the energy sector.

The digital twin is intended to help coordinate investments in digitalising the EU’s electricity infrastructure and, by extension, boost its efficiency, thereby contributing to the goals of the REPowerEU Plan, which aims to reduce dependence on Russian fossil fuels and accelerate the green transition.

For plans such as these to function, however, speakers emphasised that policymakers and politicians need to work with private sector actors, particularly SMEs and startups working on innovative solutions.

Recent work undertaken by the Lisbon Council think tank on the interlinked green, digital and competitive transitions has highlighted the importance of SMEs – as the origins of many new disruptive technologies – in each, said Paul Hofheinz, president of the think tank.

However, he added that certain changes would be needed in Europe to maximise the potential of these solutions in contributing to green goals, including ensuring that technologies can be diffused into broader society and commercial development rather than remaining in labs, where their impact might not be felt.

A point in favour of focusing on smaller entrepreneurs, noted Kassouf, is that “local innovators are better informed to address local problems before they become global problems”.

This should help devise a strategy of ensuring that entrepreneurs from local, and especially under-represented or under-served communities, can work on the issues most relevant to them.

[Edited by Luca Bertuzzi/Zoran Radosavljevic]

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