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EU NEEDS TO SUPPORT DEMONSTRATION OF CARBON CAPTURE & STORAGE

We believe that EU targets for reducing greenhouse gas emissions are unlikely to be achieved by 2030 without widespread deployment of CO₂ Capture and Storage (CCS). This technology needs to be ready on a commercial scale by 2020.

On this basis, the European Councils of March 2007 and June 2008 called for the construction and operation of ten to twelve industrial-scale CCS demonstration plants by 2015. However, the EU has not yet established a funding mechanism to support this pledge.

EUROPEAN PARLIAMENT AMENDMENT 500 (COMPROMISE 16) TO THE EMISSIONS TRADING SCHEME

Amendment 500 (Compromise 16) to the proposed Emissions Trading Scheme Phase III Directive addresses this question.

On 7 October Members of the European Parliament will vote on this Amendment, sponsored on a cross party group basis by ETS Rapporteur Avril Doyle and Geological Storage of CO₂ Directive Rapporteur Chris Davies.

The Amendment will enable operators of CCS demonstration projects to obtain allowances for the full chain of capture, transport and verified storage of CO₂ from the EU ETS. Where appropriate, this mechanism could be complemented by direct investment in line with Community rules on State Aid.

The mechanism is time- and volume-limited, transparent, competitive and market-based, and will prioritise best public value. This support for large-scale CCS demonstration will build on clear rules for liability and safety of storage, as defined by the proposed Directive on Geological Storage of CO₂.

We jointly call for urgent decisions by the EU institutions to support Amendment 500 (Compromise 16).

Each day that full-scale demonstration of CCS is delayed, we make the challenge of meeting our CO₂ targets harder. By becoming a global first-mover on CCS, Europe could become a world leader in the low carbon revolution in energy conversion.

The time to act is now.