

PRESS INFORMATION

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ZEP Unveils Proposal for EU CCS Demonstration Programme

BRUSSELS – The European Technology Platform for Zero Emission Fossil Fuel Power Plants (ZEP) today unveiled a ground-breaking report for the rapid deployment of an EU-wide CO₂ Capture and Storage (CCS) Demonstration Programme – integrating all aspects of CO₂ capture, transport and storage – which would speed up the deployment of CCS in the EU by 10 years and contribute to the commercial availability of CCS by 2020.

“It is widely accepted that CCS is one of the key solutions for combating climate change - while building a bridge to a truly sustainable energy system,” said Dr. Graeme Sweeney, Chairman, ZEP, and Executive Vice-President of Future Fuels & CO₂, Shell. *“As a result, it is imperative that CCS receives the support and structure required to become a commercial reality and realize its potential of reducing CO₂ emissions in the EU by up to 400 million tonnes a year by 2030,”* he added.

An extensive range of experts and stakeholders participated in the creation of the report. It outlines every aspect of CCS demonstration to establish the optimal portfolio of projects across Europe necessary to cover a full range of CCS technologies and fuel sources, geographies and geologies. Their work concluded that:

1. A total of 10–12 demonstration projects will be required to test a variety of technologies to reduce costs and risks and contribute to public understanding and awareness, and that currently proposed CCS projects across the EU can satisfy the majority of the criteria that need to be tested.
2. In addition to the base cost of the power plants (€10 billion - €12 billion), industry is prepared to take on the commercial and technical risks associated with building the 10–12 integrated demonstration projects. However, a funding gap of €7 billion - €12 billion will remain to meet the costs of building and running the additional CCS installations and reduced plant efficiency.
3. The contribution of industry to filling this gap will be determined through a rigorous tender process.
4. The speeding up of the tendering and permitting process, and creating an appropriate regulatory climate, is integral to ensuring the EU CCS Demonstration Programme delivers CCS as a commercially viable technology by 2020.
5. EU-wide coordination and implementation for the Demonstration Programme will provide significant advantages, including: the optimisation of a diverse portfolio; facilitation of the rapid and widespread application of CCS in the EU and the

establishment of a tangible European leadership position in the battle against climate change.

Establishing the criteria to select the projects for the EU CCS Demonstration Programme resulted in unprecedented work by experts within ZEP and the wider CCS community. The selection criteria for an EU Demonstration Programme address all of the links in the CCS value chain and the required context. Specifically, this will require the testing of:

- **Various emissions sources**, including power plants with different fuels and the CO₂ streams from other industries, like steel or cement plants.
- **The three primary means of capturing CO₂** - pre- and post-combustion and oxyfuel.
- **Different modes of transporting CO₂** - pipelines on- and offshore and across borders, and transport by ship.
- **The two primary means of storing CO₂** - depleted oil and gas fields and different saline aquifers.

ZEP's proposal for an EU-wide portfolio of large-scale CCS demonstration projects answers the European Council's March 2007 request that up to 12 CCS demonstration projects be up and running by 2015.

The complete report, and detailed presentation, of ZEP's proposal for an EU Demonstration Programme can be found online at: [www.zero-emissionplatform.eu/ZEP EU Demo Proq.zip](http://www.zero-emissionplatform.eu/ZEP_EU_Demo_Proq.zip)

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Note to editors: Founded in 2005, and initiated by the European Commission, the European Technology Platform for Zero Emission Fossil Fuel Power Plants (ZEP) is a broad coalition of stakeholders united in their support for CO₂ Capture and Storage (CCS) as a key technology for combating climate change. Its members come from European utilities, petroleum companies, equipment suppliers, scientists, geologists and environmental NGOs. ZEP is seeking to make CCS commercially viable by 2020 and kick-start its wide-scale deployment to tackle climate change.