

## **Z E P      Zero Emission Fossil Fuel Power Plants**

### ***Task Force on Policy and Regulation***

#### **Minutes from First Meeting of ZEP Task Force on Policy and Regulation**

*Brussels, 9 March 2007*

*The ZEP Task force on Policy and Regulation held its first meeting in Brussels on 1 March 2007. Twenty-eight participants attended the meeting, representing European industry, NGOs, European Commission, Efta Surveillance Authority, ZEP Mirror Group and the European Investment Bank. Participants heard presentations of the ZEP Platform's work, the SRA and the SDD, and the ongoing work of the European Commission on advancing deployment of CCS technology. Five sub-groups were established with a view to advancing the work and two new meetings were set up, 19 April in Brussels and 7 June in Paris.*

#### **1. Welcome and introduction – adoption of the agenda**

The agenda was adopted.

#### **2. Endorsement of proposed Co-chairs for the Task Force**

*(Paal Frisvold, Bellona Europa, Francois Giger, EdF and Arve Thorvik, Statoil, have been appointed as acting co-chairs by the ZEP Coordination Committee)*

Participants took note of the Co-leads nominated by the Coordination Committee – which is to be confirmed by the Advisory Council at its meeting on 14 March 2007.

#### **3. Presentations to set the scene** (all presentations can be found on the ZEP Platform Website ([www.zero-emissionplatform.eu](http://www.zero-emissionplatform.eu)):

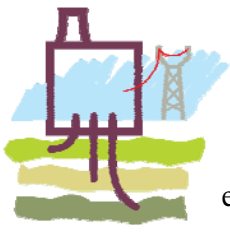
##### **i) Introduction to ZEP: Main results and new organizational structure, by **Arve Thorvik and Paal Frisvold****

Arve Thorvik gave a comprehensive overview of the main policy conclusions embedded in the SRA and the SDD, as well as the main challenges that lie ahead.

Paal Frisvold presented briefly the organizational structure of the ZEP platform and current Task Forces that have been established to carry out the remaining work.

##### **ii) DG Environment: Regulatory work in process, by **Scott Brockett****

Scott Brockett gave a comprehensive presentation of DG Environment's current efforts to provide an enabling legal and policy framework for rapid deployment of CCS the main challenges being i) to identify the potential for CCS in Europe, ii) the risks and lack of framework to manage them, such as management options for capture, transport and storage as well as identifying and removing legal barriers, and iii) how to ensure commercialisation of the technology. Currently, the Commission is working on an impact assessment for an enabling legal framework that should be made available in early spring while the actual proposal for a framework is scheduled for end of 2007. With regards to



the longer term the Commission will also address policy and regulatory options for ensuring wide implementation of CCS technology by 2050.

- iii) DG TREN: Energy Package – Sustainable Power Generation from fossil fuels: Aiming for near-zero emissions from coal after 2020, by **Thomas Schneider**

Thomas Schneider gave a comprehensive presentation of the Commission's Energy Package presented on 10 January. Particular mention was made of the Commission's efforts to establish instruments to stimulate construction and operation, by 2015, of up to twelve industrial-scale demonstration facilities of sustainable power generation from fossil fuels in Europe. Moreover, he referred to the work on developing a clear timeframe when coal- and gas-fired power plants will need to install CO<sub>2</sub> capture and storage and existing ones should be retrofitted. The Commission believes that CCS could become mandatory from 2020 on. An Inter-Service Task Force on Sustainable Power Generation had been established with a view to identifying economic incentives for this purpose. The Commission has also signed a MoU on reinforced co-operation in the energy field. Lastly, Thomas Schneider underlined that forthcoming discussions in the European Parliament on CCS to be held in the framework of the co-decision procedure will be of relevance to the implementation of EU initiatives in this field – a process that offers opportunities for ZEP to engage until the beginning of 2009.

#### **4. Work plan and strategy:**

- i) Consistent regulatory framework for CCS at EU and international levels:
  - Impact assessment study, framework for managing risks, removal of unwarranted barriers to CCS in existing legislation, and long term liability.
- ii) Financing of, and economic incentives for CCS:
  - State Aid guidelines and public participation of funding, EU Emissions Trading Scheme (ETS), Clean Development Mechanism (CDM), other tools and incentives for making CCS commercially viable.

Arve Thorvik presented a proposal for a work plan and a strategy for the Task Force on which a discussion took place. The outcome of this discussion is described under the next point.

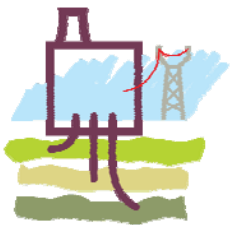
#### **5. Definition of deliverables and work strategy:**

The Task Force agreed to work actively with the Commission as well as other EU institutions, and to submit proposals and assessments of different policy and regulatory options. Five areas were identified to provide input among others to the Commission's work. Each member signed up for (at least) one sub-group, and one person will be responsible for coordinating the work in each sub-group:

##### Sub-group 1: Managing the risks

Coordinator: Claude Roulet (Schlumberger)

Members: Tim Dixon (AEA)



Sub-group 2: Removing the legislative barriers and regulating CCS

Coordinator: Thomas Hensel (Vattenfall)

Members: Robert Pentel (BRGM), John Harris (Eon), Markus Becker (RWE)

Sub-group 3: Making the market mechanisms and business models work

Coordinator (for the first meeting): Helen Groenenberg (ECN)

Members: Emilio Rodriguez- Izquierdo (Abengoa), Barrie Murray (Electricity Market Services), Luc Van Nuffel (Electrabel), Francesco Giorgianni (Enel), Anuska Bole (Electric Power Research Institute), Markus Wolf (Alstom), Roberto Asin (Endesa)

Sub-group 4: Providing the financial incentives (including cost/benefit analyses and state aid issues)

Coordinator: Paal Frisvold (Bellona)

Members: Roland Schulze (EIB), Maxime Bureau (GE), Helena Nosei Canavesi (Unión Fenosa), Luc van Nuffel (Electrabel), Observers: Thomas Schneider (DG TREN), Maria Segura Catalan (ESA)

Sub-group 5: Cooperating with other regions (US (CSLF), China (and India))

Coordinators: Arve Thorvik (Statoil), Simon Worthington (BP), Markus Becker (RWE)

Members: Susan Russell (ChevronTexaco), Francois Giger (EdF), Pietro Di Zanno (Air Liquide), James Logan (RR), Maxime Bureau (GE), Claude Roulet (Schlumberger), Erik Lysen (UCE)

It was also agreed to establish liaison with the other ZEP Task Forces as well as with the relevant EU institutions, the following members being the focal point:

Advisory Council: Arve Thorvik

Technology Task Force: Francois Giger, Markus Wolf

Public Communication Task Force: John Harris, Markus Becker

Demos and Implementation Task Force: Robert Pentel, Paal Frisvold

Mirror Group: Francois Giger

European Parliament: Francesco Giorgianni, Paal Frisvold

DG COMP/ESA: Members of Sub-group 4

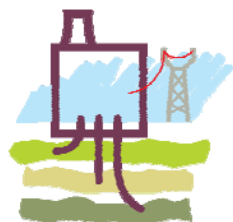
DG ENV: Members of Sub-group 2, DG TREN: Members of Sub-group 4

*All sub-groups were asked to identify a concrete action plan with deadlines for submissions to the Task Force for further submission to the AC and finally to the EU institutions. Coordinators are asked to submit these action plans to the Co-chairs by Friday 30 March 2007.*

**Please note: Participants that did not decide for a sub-group during the meeting and Task Force members that were unable to attend the meeting, are asked to contact the coordinator of the sub-group they would like to get involved in.**

## 6. Other business

No other business was suggested.



7. **Dates of future meetings:** i) 19 April 2007 in Brussels, ii) 7 June 2007 in Paris.

**List of Participants of ZEP P&R TF Meeting on 1 March 2007**

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