Supporting early demonstration of sustainable power generation from fossil fuels

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The Committee on Industry, Research and Energy adopted an own-initiative report drafted by Christian **EHLER** (EPP-ED, DE) on supporting early demonstration of sustainable power generation from fossil fuels, in response to the Commission's communication on the same issue.

MEPs recall that the 2005 Special Report on carbon dioxide capture and storage technologies (CCS) by the Intergovernmental Panel on Climate Change (IPCC) which identified CCS as a promising technology for the rapid reduction of global greenhouse gas emissions, with the potential to achieve a reduction of up to 55% by 2100.

The report recognises that the use of CCS technologies can contribute to attaining the EU`s stated climate targets after 2020. Given the role played by fossil fuels in the energy mix of many countries worldwide, MEPs believe that these technologies in the EU could, in addition to the efforts being made to increase energy efficiency and the use of renewable energies, contribute to achieving security of supply and climate protection.

The Industry Committee endorses the view that **the construction of at least 12 demonstration facilities within the EU is necessary** in order to achieve the desired use of CCS technologies in power stations and to secure CO2 storage from 2020. It takes the view that **the measures unveiled by the Commission are not sufficient to provide the desired incentives for constructing at least 12 demonstration facilities by 2015**. MEPs point out that investment decisions and capital acquisition on financial markets for demonstration facilities are made more difficult by **the absence of a legislative framework,** in particular at national and regional level.

MEPs take the view that the time delay between the potential support from emissions trading from 2013, and the necessary planning and construction phase of demonstration facilities, can be overcome by making financial resources available. They propose in this connection that the **risk sharing finance facility resources held back after the adoption of the Seventh Framework Research Programme until the mid-term review, should be committed for CCS demonstration facilities** so as to make resources available promptly to support these projects and, if possible, to supplement them with other funds in cooperation with the European Investment Bank, as envisaged by the Commission.

As regards the **EU emission trading scheme (EU ETS)**, MEPs consider that incentives for CCS technology production should be increased, by allocating, within the EU ETS, allowances for anticipated CCS technology production with an increase of at least 25 % from 2013. However, they t consider that such allowances should be allocated at least two years prior to construction so that they can be traded and consider alternatively, that an allocation of 500 million emission trading allowances for the support of the projects within the EU should be envisaged. They encourage the Member States to use proceeds from auctioning emission allowances in the framework of the EU ETS to support CCS technologies and the necessary infrastructure.

MEPs regard as necessary **an additional EU commitment on facilitating development of the necessary transport infrastructure**. They note, in this regard, the authorisation procedures in individual Member States for other transport infrastructures which can last for years, and in this connection points to the importance of shortening such procedures to ensure construction by 2020.

Lastly, MEPs considers it imperative that at least the 12 demonstration facilities earmarked for assistance should cover **all possible combinations of the three CCS technologies** with the various energy sources and storage options and for these facilities to be sited with a view to maximum geographical spread across the European Union. The report recommends that power station projects with a proposed minimum output of 180 MW,be included in the selection.