Basic information

2008/2140(INI) INI - Own-initiative procedure	Procedure completed
Supporting early demonstration of sustainable power generation from fossil fuels **Subject** 3.60 Energy policy 3.60.01 Solid fuels, coal mining, mining industry 3.60.02 Oil industry, motor fuels 3.60.03 Gas, electricity, natural gas, biogas 3.70.02 Atmospheric pollution, motor vehicle pollution 3.70.20 Sustainable development	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
ITRE Industry, Research and Energy	EHLER Christian (PPE-DE)	27/05/2008

Committee for opinion	Rapporteur for opinion	Appointed
ENVI Environment, Public Health and Food Safety (Associated committee)	HEGYI Gyula (PSE)	03/06/2008

European Commission

Commission DG	Commissioner
Energy and Transport	PIEBALGS Andris

Key events

Date	Event	Reference	Summary
23/01/2008	Non-legislative basic document published	COM(2008)0013	Summary
22/05/2008	Committee referral announced in Parliament		
22/05/2008	Referral to associated committees announced in Parliament		
16/10/2008	Vote in committee		Summary
21/10/2008	Committee report tabled for plenary	A6-0418/2008	
17/11/2008	Debate in Parliament		
18/11/2008	Decision by Parliament	T6-0545/2008	Summary

18/11/2008	Results of vote in Parliament		
18/11/2008	End of procedure in Parliament		

Technical information	
Procedure reference	2008/2140(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55-p4 Rules of Procedure EP 55
Stage reached in procedure	Procedure completed
Committee dossier	ITRE/6/62938

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE409.473	30/06/2008	
Amendments tabled in committee		PE412.213	16/09/2008	
Committee opinion	ENVI	PE409.643	09/10/2008	
Committee report tabled for plenary, single reading		A6-0418/2008	21/10/2008	
Text adopted by Parliament, single reading		T6-0545/2008	18/11/2008	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2008)0013	23/01/2008	Summary
Document attached to the procedure	SEC(2008)0047	23/01/2008	
Document attached to the procedure	SEC(2008)0048	23/01/2008	
Commission response to text adopted in plenary	SP(2009)400	10/03/2009	

Supporting early demonstration of sustainable power generation from fossil fuels

2008/2140(INI) - 18/11/2008 - Text adopted by Parliament, single reading

The European Parliament adopted by 474 votes to 66 with 20 abstentions, a resolution on supporting early demonstration of sustainable power generation from fossil fuels, in response to the Commission's communication on the same issue.

The own-initiative report had been tabled for consideration by Christian **EHLER** (EPP-ED, DE) on behalf of the Committee on Industry, Research and Energy.

CCS technologies: Parliament 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.

Insufficient Commission measures: Parliament defends the idea 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. MEPs take 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. They points 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, and by uncertainties about future movements in emission trading allowance prices.

Short-term financing by the 7th Framework Research Programme: 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. Parliament calls on the Commission to produce a detailed assessment of the cost of, and the share of private and public funding in, each of the 12 demonstration facilities.

Support via the EU emissions 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 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.

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

Selection criteria for projects: Parliament stresses that binding and strict criteria should be set for the long-term safety and permanence of storage sites. 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.

Supporting early demonstration of sustainable power generation from fossil fuels

2008/2140(INI) - 23/01/2008 - Non-legislative basic document

PURPOSE: to support early demonstration of sustainable power generation from fossil fuels.

CONTENT: the EU has set itself ambitious targets to reduce green house gas emissions. Emissions from the energy sector – primarily coal and gas, lead to approximately 40% of all CO2 emissions in the EU. Thus, any strategy to address climate change needs to consider ways in which to reduce the effect of CO2 emissions from fossil fuel power generation. One way forward is the capture and storage of CO2 (CCS). This technology, which is expected to be commercially feasible in 10-15 years, will enable CCS to stand on its own feet in an Emission Trading Scheme.

This Communication complements a Commission proposal for a Directive on Geological Storage of CO2. Its purpose is to set out a strategy for the realisation of CCS and to set out a vision on how to effectively coordinate and support large-scale CCS demonstrations as well as creating the conditions for bold industrial investments in a series of plants.

The investment needed to bring CCS to market is substantial. Around EUR 1 billion will have to be spent between now and 2020 on R&D activities to bring CCS technologies to a state in which they can be commercially deployed. In addition, early demonstrations of CCS in industrial-scale power plants will require further spending to the tune of billions of Euros. For example, several hundred million Euros per plant will have to be invested in large-scale projects that include capture, transportation and storage. This is significantly more than for standards plants.

The first step to enabling CCS power generation can be taken without substantial additional costs. The Commission's proposal for a CCS Directive will crate a comprehensive regulatory framework to ensure the safety of CCS deployment. In response to these developments the EU is putting a structure in place that seeks to stimulate the demonstration of CCS in power plants. This is the SET-Plan, which creates a framework in which CCS can develop. The plan identifies CCS as one of the strategic energy technologies and sets the time horizon of 2020 for making its use in power generation a realistic option. A coherent and coordinated EU-level action could add value and enhance overall impact, whilst respecting the autonomy of national initiatives.

The SET-Plan proposes to examine avenues for raising additional funds. The European Investment Bank (EIB) is currently analysing new products for financing CCS in addition to the existing Risk Sharing Finance Facility (RSFF)

Within this context the Commission is proposing to launch a European Industrial Initiative on CO2 capture, transport and storage starting in 2008. While stimulating large-scale demonstration, this Initiative will also seek to address, in an integrated manner, the need for continuous research and for increased public awareness and acceptance.

In order to push this initiative forward, in 2008 the Commission will set up a Support Action under the 7th Framework Programme the purpose of which will be to create and animate a network of CCS demonstration projects. In this way the Commission will provide first movers with a list of best practices. Information thus gathered will help focus policies establishing a long-term value chain for CO2 and will give coherent and effective interaction of participating projects with related R&D undertaken across the EU.