

Note: this is a draft letter only aimed at providing a starting point for the discussion at the AC-meeting of 16 November

Letter addressed to the European Commission and the member states

At the spring 2007 European Council meeting the European Union made a commitment to reduce emission of greenhouse gases by at least 20% by 2020. In doing this they confirmed the recommendation in the commission's communication on sustainable power generation from fossil fuels to have CCS as an important future contributor to limiting CO₂ emissions.

The industries united in the European Technology Platform for Zero Emission Power Plants (ETP-ZEP) welcome this commitment and agree that Carbon Capture and Storage (CCS) is an indispensable method for the achievement of the targets for the reduction of the emission of CO₂ and consequently for the mitigation of climate change.

ETP-ZEP is committed to the implementation of CCS. It has shown this by establishing the roadmap for the development and deployment of CCS by developing a Strategic Research Agenda and Strategic Deployment Document (SRA and SDD) and by already investing in smaller scale projects. A key component of the roadmap is the ZEP-flagship programme that was launched at the General Assembly in October 2007. It is an essential step, aimed at accelerating development and deployment of CCS, necessary to meet the reduction targets for CO₂. The flagship programme aims to have 10-12 industrial scale CCS-projects up and running by 2015 for validation of the technology, demonstration of its feasibility and to drive costs of CCS down.

ETP-ZEP is of the opinion that in the long run the additional costs caused by CCS need to be borne by the market but that industry will not be able to recover the additional costs of the proposed flagship programme in the absence at present of a market for low-carbon energy with an acceptable price level. The additional costs of this first series of CCS-projects will be considerable and are estimated to be in the range of 6 to 10 billion euro. The magnitude of these additional costs is such that in the view of ETP-ZEP they cannot be borne by the industry alone and need to be shared by the industry, governments of member states and the European Commission.

ETP-ZEP, considering that it is already spending sizeable funds on the development of CCS at the moment, asks the EU member states and the European Commission to fund the flagship programme jointly with ETP-ZEP. With a view on the importance of CCS for climate change and on the impact CCS will have on the value chain of the energy industry, the industries united under ETP-ZEP are prepared to undertake bold investment initiatives under the flagship programme and commit to the spending of 50% of the additional costs associated with the flagship projects - compared to commercial, state-of-the-art power plants - and ask the European Commission and member states to commit to paying the additional 50% in the form of material amount in the short term.

To be signed by the industries united in ETP-ZEP:

- E.ON Energie
- RWE Power
- Vattenfall
- Siemens
- Alstom
- HydroStatoil
- Shell
- Total
- Schlumberger
- EUTurbine (if feasible)
- EPPSA (if feasible)
- Eurelectric (if feasible)