

## ZEP Network Policy and Economics

### Progress Report to the ZEP Advisory Council, 14 September 2016

NWPE co-chairs: *Tim Bertels (Shell), Jonas Helseth (Bellona), Lamberto Elderling (Statoil)*

NWPE currently has three active TWGs, each making good progress with various outputs expected between now and the end of 2016.

In addition to the three active TWGs, it was agreed at the previous ACEC meeting (July 2016) that NWPE should establish a TWG covering the implications of Brexit on CCS. The Network is also planning to draft a short ZEP position paper on the potential role of capacity mechanisms in delivering flexible low-carbon generation from fossil fuel plant with CCS, although this work is yet to kick off. This latter position paper will draw, where possible and relevant, on the ME4 work and be used as input to ongoing Commission-led discussions around market design.

The next meeting of the Network will take place in early November (date *tbc*) where discussions will focus on finalising ongoing pieces of work and identifying strategic priorities and focus areas for the coming year. The meeting will also provide an opportunity to kick-start the work of TWG Brexit through an initial scoping discussion.

Secretariat support to the Network and its working groups is being provided by Theo Mitchell and Harriet Howe. As part of a general drive to increase participation and engagement in ZEP's work programmes, the secretariat will be reaching out to ZEP members, observers and external stakeholders to invite feedback on ongoing work. In particular, the secretariat is working with the chair of TWG Market Economics to try and increase active participation in the group.

Attached to this progress update are five further pre-reads;

- 6a. **Latest position paper of the TWG Policy and Funding.** As with previous work in this area, this is a joint paper with the CCSA. The paper provides a briefing to MEPs in the ENVI Committee in relation to the amendments tabled on Rapporteur Ian Duncan's draft report. The AC will be invited to provide comments on the briefing note but, as the paper is based on pre-approved ZEP messaging, it is assumed that the ERG will retain responsibility for final sign off.
- 6b. **Draft response to DG CLIMA request for feedback on guidance relating to capture readiness (Article 33 of the CCS Directive).** This draft response is being presented for information and feedback. The guidance report is also appended. A final response is expected to be approved by the ACEC to allow for submission by the end of September.
- 6c. **Updated Terms of Reference for TWG Projects of Common Interest.** This TWG is succeeding the previous Temporary Taskforce Storage, which led on the Business Case for Storage and Executable Plan reports. The AC will be invited to comment on and approve the updated terms for the working group. A final report is expected to be submitted for approval either at AC49 in December or shortly thereafter. Please note – the Terms of Reference were not available at the time the pre-reads were circulated; they will, however, be made available on the day of the meeting in hard copy and circulated to all AC members and observers electronically.
- 6d. **Draft Terms of Reference for TWG Brexit.** The AC will be asked to consider the draft Terms of Reference, provide feedback and then approve the terms for the working group.

Actions

Temporary Working Group	Co-Leads	Actions for the ZEP AC
<b>Market Economics 5</b>	Charles Soothill (GE)	Members to self-nominate to provide more detailed feedback as the report develops
<b>Policy and Funding</b>	Theo Mitchell (CCSA) Jonas Helseth (Bellona)	Provide feedback on the response to capture readiness guidance. The AC is requested to delegate approval of the final submission to the ACEC
<b>Projects of Common Interest (PCI)</b>	Arthur Heberle (MHPS)	Approve the Terms of Reference
<b>Brexit</b>	<i>To be appointed</i>	Approve the Terms of Reference and nomination of co-leads