ZEP Advisory Council 50

22nd March 2017

Agenda Item 10: ERG update

10.a ERG Update

Appended to this paper is an update for the ZEP External Relations Group.

10.b 2017 General Assembly 23rd March final agenda

Appended to this paper is the final agenda for the 2017 General Assembly European Parliament Hearing on CCS "Unlocking Clean Growth Through Carbon Capture and Storage".

10.c Summary of external engagements

Appended to this paper is a summary of the following external engagement activities:

- **Meeting with Artur Runge-Metzger, Climate Strategy, governance and emissions from non-trading sectors, DG CLIMA, 14 December 2016**
- **Meeting with Marie Donnelly, Director Renewables, Research and Innovation, and Michael Schuetz, Policy Officer Unit C2 New energy technologies, innovation and clean coal, DG ENER, 14 December 2016**
- **IEA Workshop: Potential Build-Out Rates for CCS, 10 January 2017**
- **Meeting with Silvia Bartoini, Member of Cabinet, Commissioner Arias Cañete, 12 January 2017**
- **Meeting with Lambert Van Nistelrooij MEP, 12 January 2017**

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Agenda Item 10.a: ERG update

ERG co-chairs: Mark Downes (Shell), Jonas Helseth (Bellona)

Dissemination of ZEP reports

A number of ZEP reports are finalised or nearing completion:

- Future CCS Technologies
- Commercial scale feasibility of Clean Hydrogen
- Market Economics 5
- Fast Track CO_2 Transport and Storage for Europe

Weber Shandwick developed a set of recommendations regarding the dissemination of these reports. The ERG agreed that the *Future CCS Technologies* report should be published on the 12th January via a soft launch (ZEP website and promoted through the ZEP newsletter and twitter).

The Clean Hydrogen report will be published in accordance with the recommendations developed by Weber Shandwick. This includes a “hard” launch with a number of media activities including a press release, briefing relevant journalists and a possible workshop. In terms of timing, Weber Shandwick have recommended that the report publication should be leveraged in the run-up to the upcoming debate on the Electricity Market Reform (EMR) proposal (the ITRE Committee vote is likely to take place in Q2 2017).

The Market Economics 5 (ME5) report is on track for publication at the 2017 General Assembly on the 23rd March. Weber Shandwick have developed a media and engagement programme (for the ME5 report and the General Assembly) and implementation of this programme is ongoing.

Members of the Advisory Council have been invited to approve the report; Fast Track CO_2 Transport and Storage for Europe (pre-read 9.b). Following approval, a dissemination and engagement programme will be developed with the ERG, Weber Shandwick, the Secretariat, and the TWG co-chairs.

Draft new ZEP narrative

A the November ACEC call, the Weber Shandwick concept note for an approach to a new

ZEP narrative was approved. Weber Shandwick have since developed a draft new ZEP narrative, which the ERG has commented on.

After some discussion between the ERG and Weber Shandwick, it has been agreed that the draft new ZEP narrative would benefit significantly from including messages on the new ZEP reports mentioned above. Therefore, once these reports have been published, the narrative will be updated, with a view to seeking final approval at the AC51 meeting in July.

2017 General Assembly

The 2017 General Assembly European Parliament Hearing on CCS "*Unlocking Clean Growth Through Carbon Capture and Storage*" is taking place on the 23rd March, 10am – 12pm in room 6Q1 of the European Parliament. The event is hosted by Lambert Van Nistelrooij MEP (EPP, NL). ZEP is partnering with Gassnova, IEA and the Norwegian Ministry of Petroleum and Energy.

The final agenda for the General Assembly can be found appended as pre-read 10.b.

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2017 European Parliament Hearing on CCS Agenda: 23rd March

Room 6Q1, European Parliament
10:00 – 12:00

Hosted by Lambert Van Nistelrooij MEP, in partnership with the European Zero Emission Technology and Innovation Platform (ZEP), the Norwegian Ministry of Petroleum and Energy, Gassnova and the International Energy Agency, and moderated by Sandrine Dixson-Declève.

Time	Topic
10:00 – 10:05	**Opening remarks**: Lambert Van Nistelrooij MEP
10:05 – 10:40	**Reducing CO_2 emissions in Europe: what is the role for CCS?** • Trude Sundset, Chief Executive, Gassnova • Kamel Ben Naceur, Director, International Energy Agency • Charles Soothill, Vice Chair, ZEP • Jonas Helseth, Director, Bellona Europa
10:40 – 11:15	**Can CCS help to unlock clean growth and sustainable jobs?** • Rob Van der Meer, Director, HeidelbergCement • Allard Castelein, President and Chief Executive of the Port of Rotterdam Authority • Benjamin Denis, Senior Advisor (Industrial Policy, Sustainable Development, Energy and Climate Change), European Trade Union Congress • Sarah Tennison, Technology and Innovation Manager, Tees Valley Combined Authority
11:15 – 11:55	**What can the EU and Member States do to accelerate progress?** • Dominique Ristori, Director General, DG Energy (tbc) • Ingvil Tybring-Gjedde, State Secretary, Ministry of Petroleum and Energy, Norway • Graeme Sweeney, Chairman of the Advisory Council, European Zero Emission Technology and Innovation Platform (ZEP) • Lambert Van Nistelrooij MEP
11:55 – 12:00	**Closing remarks**: Graeme Sweeney, Chairman of the ZEP Advisory Council

European Zero Emission Technology and Innovation Platform

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Carbon Capture and Storage Association
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Agenda Item 10.c: Summary of external engagements

The ZEP secretariat has recently participated in a number of meetings with external stakeholders and processes. A summary of these meetings is provided below. Please note that these reports are for ZEP stakeholders and should not be circulated more widely.

Meeting with Artur Runge-Metzger, Climate Strategy, governance and emissions from non-trading sectors, DG CLIMA – 14th December 2016

The ZEP secretariat met with Artur Runge-Metzger, Climate Strategy, governance and emissions from non-trading sectors, DG CLIMA on the 14th December 2016. Present at the meeting: Artur Runge-Metzger, European Commission; Lord Ronald Oxburgh; Theo Mitchell, ZEP.

- ARM said that he was taken aback by the lack of progress on CCS in recent years and the UK decision to cancel the CCS Commercialisation Programme.
- RO discussed the background for his report and made the following comments:
    - To all intents and purposes, this is a new government.
    - Nick Hurd is a very sincere man and committed to climate change. He has worked on these matters for more than a decade.
    - The new Department for Business, Energy and Industrial Strategy (BEIS) holds many positives for CCS but it means that there is no Cabinet Minister solely responsible for energy and climate change. This has both positive and negative implications.
    - The key risk for CCS developers is political risk.
    - The EU could think about supporting work on CCS in the context of hydrogen (for heat and transport).
- ARM asked a number of questions relating to CCS and how RO's report had been received in the UK, but was relatively guarded about views towards CCS within the Commission. He closed by saying that the meeting had offered a glimmer of hope for CCS.

Meeting with Marie Donnelly, Director Renewables, Research and Innovation, and Michael Schuetz, Policy Officer Unit C2 New energy technologies, innovation and clean coal, DG ENER – 14th December 2016

The ZEP secretariat met with Marie Donnelly, Director Renewables, Research and Innovation, and Michael Schuetz, Policy Officer Unit C2 New energy technologies, innovation and clean coal, DG ENER, on the 14th December 2016. Present at the meeting: Marie Donnelly and Michael Schuetz, European Commission; Lord Ronald Oxburgh; Theo Mitchell, ZEP.

- MD opened the meeting by stating that CCS had "ratcheted up the political agenda" in the last 2-3 weeks. She cited the inclusion of an EPS within the criteria for Capacity Markets as a key reason for this, but also mentioned the long-term perspective (2050) included in the Energy Union governance proposals.

- Regarding the EPS, MD indicated that this was a late addition to the package, inserted at the political level, and that it was not an idea originally included by DG Energy.

- Discussions then moved towards Lord Oxburgh's report, which MD admitted she hadn't read. She was interested in the ideas discussed and a long discussion was held around the potential of CCS to contribute towards decarbonisation of heat.

- MD seemed unconvinced about the potential for CCS to contribute towards decarbonising heat and cited advances in renewables (particularly offshore wind load factors) as a reason why renewable hydrogen production through electrolysis might be the preferred outcome.

- Regarding the unspent NER300 funds, MD indicated that there remains appetite in DG Energy to see some funding allocated to CCS projects and MD was interested to understand Lord Oxburgh's perspectives on what a UK project might look like.

- Lord Oxburgh suggested that there might be EU added value from using EU funds to support a CCS and hydrogen pilot but MD referred to the amount of money (over €700m) already going into hydrogen research via the Hydrogen Fuel Cell Joint Undertaking as a potential argument against additional EU funding for hydrogen.

- MD used the meeting as an opportunity to also highlight the extension of the EEPR Grant Agreement to the ROAD project, which she agreed was an important step for the future of CCS in Europe.

IEA Workshop: Potential Build-Out Rates for CCS – 10th January 2017

The ZEP secretariat attended an IEA Workshop on Potential Build-Out Rates for CCS on the 10th January 2017.

- The workshop was organised by the IEA and IEAGHG to consider potential build out rates for CCS in the context of the IEA's ongoing modelling around delivery of "well below 2 degrees" objectives of the Paris Agreement.

- The meeting was convened following an earlier IEA workshop in 2016 (not specific to CCS) on 'well below 2 degrees'. At that meeting, a small part of the modelling community suggested that, because CCS is yet to be widely deployed commercially, expectations of when and how quickly CCS can be deployed need to be scaled-back. These modellers expressed a preference for 'well below 2 degrees' scenarios that have less 'reliance' on CCS and bioenergy, and an increased role for renewables.

- A series of presentations were given: (1) the IEA presented on the forthcoming Energy Technologies Perspective 2017 and 'well below 2 degrees'; and then, (2) Shell and the IEAGHG then presented their evaluations of potential build-out rates for CCS.

- The conclusion of the discussions was that CCS could be built-out at the speed and scale required but that strong and stable policy incentives would clearly be required. Key risks (other than policy) identified also included the availability of skills, limits on the availability of sustainable biomass needed for negative emissions, and the geography of required deployment (IEA estimates that 75% of CCS deployment by 2050 needs to happen in non-OECD countries).

- The IEA will be initiating a number of pieces of relevant work in the near future, including analysis on regional CO2 storage availability and development. Thomas Berly, the Energy Analyst responsible for the work, has agreed to attend the next meeting of the ZEP Network Policy and Economics (which will also be attended by a number of individuals from the Network Technology and TWG Fast Track T&S) to introduce the project and outline a plan for how ZEP can engage in the work as it progresses.

Meeting with Silvia Bartolini, Member of Cabinet, Commissioner Arias Cañete – 12th January 2017

The ZEP secretariat met with Silvia Bartoini, Member of Cabinet, Commissioner Arias Cañete, on the 12th January 2017. Present at the meeting: Silvia Bartolini, European Commission; Luke Warren and Theo Mitchell, ZEP.

- The meeting was arranged as a follow up to an earlier discussion on 15th December 2016, where Ms Bartolini requested more-regular working level meetings with the ZEP secretariat to discuss progress under the SET Plan TWG9 CCUS and a potential pathway to the European Commission hosting the next CSLF Ministerial meeting.

- Ms Bartolini was interested to understand how the SET Plan TWG9 is progressing, particularly: what is going well; what isn't going well; what the next steps are; and, where political-level interventions might be necessary or helpful.

- The potential opportunity relating to unspent NER300 funds was discussed and Ms Bartolini made the following points:

    - The European Parliament has clearly stated that it's want the unspent NER300 funds to be used to leverage private finance

    - The Commission's position is that the first tranche of unspent NER300 funds (i.e. funds awarded to projects under the first call) should be transferred to EFSI and InnovFin, but they recognise that this means it is highly unlikely that any CCS projects would be able to secure any of the funds.

    - Discussions around how the second tranche of unspent funds might be used are yet to take place and the Commission would like to receive ZEP's proposals for how the unspent funds from the second tranche could be used to support CCS projects.

    - The European Parliament position – and it seems the default Commission position – is that the second tranche of unspent funds should be transferred to the Innovation Fund, although Ms Bartolini recognised that this could be too late if the funds are to support delivery of the specific targets for CCUS under the SET Plan.

    - Ms Bartolini agreed that Horizon 2020 had the advantage of offering flexibility in terms of supporting a range of CCUS projects but she saw significant political challenges in terms of getting Member States to agree to transferring unspent NER300 funds (essentially owned by the Member States) to Horizon 2020 (which is funded from within the Commission's budget). She thought this could be very difficult.

- The Commission is currently considering hosting the next CSLF Ministerial in late 2017/early 2018 and is currently working with the U.S. Department of Energy to understand how much it would cost to host such a meeting. Costs are likely to be the key factor for the Commission in deciding whether or not to host the meeting.

- The secretariat introduced the upcoming ZEP General Assembly/European Parliament Hearing on CCS and Ms Bartolini expressed interest in the Commissioner providing a speech.

- Ms Bartolini also expressed an interest in the Norwegian work on CCS ahead of an upcoming meeting with the Norwegian Mission to the EU. She indicated that she would discuss the European Parliament Hearing with the Mission given that Gassnova are co-sponsoring the event.

- At the previous meeting, Ms Bartolini was interested in understanding how members of the Platform had received the Winter Package. She indicated that one or two Member States are unlikely to support the Commission's proposal to introduce an EPS for European capacity markets and the secretariat offered to raise the topic with Member States via the ZEP Government Group.

- It was agreed that a follow-up meeting would be arranged for mid-February.

Meeting with Lambert Van Nistelrooij MEP – 12th January 2017

The ZEP secretariat met with Lambert Van Nistelrooij MEP on the 12th January 2017. Present at the meeting: Lambert Van Nistelrooij MEP and Marijn Verhees, Policy Advisor; Theo Mitchell, ZEP; Christiaan Gevers Deynoot, Weber Shandwick.

- The meeting was arranged following an earlier discussion between Weber Shandwick and LVN regarding the upcoming ZEP General Assembly (European Parliament Hearing on CCS). LVN has agreed to host the meeting.

- LVN recently visited Canada as part of a European Energy Forum (EEF) delegation and visited both Boundary Dam and Quest.

- LVN spent 5 years on the ENVI Committee and 10 years on the ITRE Committee. He now sits on IMCO but chairs a European Parliament Intergroup on Innovation.

- LVN stated that CCS has been on a journey and that he has held a long-standing interest in the technology. He said he is disappointed with the lack of progress in Europe, particularly given that countries such as Canada and the U.S. have made good progress.

- LVN's main area of interest is around innovation – in both industrial and power sectors, but also more widely. He would like to bring this angle to the GA and focus on telling a new story for CCS. In order to do this, he said he would prefer for speakers at the GA to be "new, young faces" as many people in the Parliament have "too much history around CCS to be positive".

- LVN would like as many MEP co-hosts for the meeting as possible. Potential co-hosts could include:

    - Victor Negrescu
    - Krišjānis Kariņš
    - Paul Rübig
    - Jytte Guteland

- LVN agreed that it would be good to get a high level speaker attending from the Commission and suggested either Commissioner Arias Canete or Dominique Ristori.

- Following on from the Canada visit, LVN suggested that ZEP and Weber Shandwick should engage with the EEF secretariat with the objective of getting EEF to promote the event with its members. This would help to bring in a larger MEP audience.

- In terms of speakers, LVN requested that Shell gives a presentation and also suggested Yara if the agenda allowed.