

AC63 meeting minutes

MEETING MINUTES

ZEP 63rd ADVISORY COUNCIL MEETING

10 June 2020, 10:00-13:00 CET

Virtual meeting

1. Introduction and welcome

Chair, **GS**, verifies quorum and welcomes participants.

Chair moves to adopt AC63 agenda. Agenda is adopted.

Chair moves to approve draft meeting minutes from AC62 and ACEC April and May 2020, and notes that actions from the meetings will be dealt with in Agenda Item 2. Minutes are adopted.

Chair moves to the results of the vote for Isabelle Czernichowski of BRGM to be nominated to the ZEP Advisory Council. The required number of votes met, all in favour. **GS** welcomes **IC** to the AC. **IC** thanks all for support, very pleased to join the AC and appreciates work of ZEP.

2. Secretariat update

Chair gives floor to **POG** for the Secretariat update.

POG refers to actions from AC62 and ACEC meetings:

- The *Clean Hydrogen Alliance* is being developed by the EC to be presented probably in July, linked to the Clean Hydrogen Strategy. Good hope that blue hydrogen is included. This item will be brought up by DG Grow later in today's agenda.
- Regarding the *Communication on CCUS in the recovery plan* – Following a successful meeting with the Cabinet of EVP Timmermans, where ZEP was asked to show what CCUS can do for the recovery plan, ZEP gathered a group of companies – beyond members – to bring forward these possibilities, shovel-ready CCUS projects to show how these can boost the economy. A letter was sent to EVP Timmermans requesting a meeting and the Cabinet has come back to us, highlighting that a ZEP meeting with the EVP has been recommended. Next step, the Cabinet will come back to us with a time slot for the meeting shortly.
- Regarding *ZEP input on the Taxonomy*, for the Platform, expected to be up and running in September, we are, in TWG Negative emissions, to prepare input on Bio-CCS and Waste-to-Energy, and also look into the screening criteria for CCU. In the short-term, ahead of the EC's delegated act, we are communicating that the third threshold for hydrogen manufacturing is effectively excluding all electricity grid-

connected manufacturing of hydrogen, regardless of technology and that . should this threshold not be deleted, such as guarantees of origin.

- *ZEP input on the TEN-E regulation* has been prepared and discussed with the ERG and the ACEC. We will come back to this later in today's agenda.

Regarding the finances, **POG** refers to the enhanced 2020 outreach budget and highlights the service agreement with CCSA. He points out lower 2020 spending expected due to Covid-19, resulting in larger surplus expected for the end of the year.

POG welcomes Meghann Kissane, who has joined to ZEP secretariat.

POG highlights that the mid-term review of ZEP on 27 May, was very positive: it commends ZEP as very successful with high quality reports, products and activities. **POG** directs this to all engaged in ZEP; chair, vice and co-chairs, participants in networks and working groups, colleagues in London and Brussels offices, and EC representatives.

GS adds that ZEP is also preparing a piece for the Taxonomy on CCS/CCU and pipelines.

3. Commission update

DG RTD

VK gives an update:

CETP is a co-funded partnership. The programme is to be launched in 2021 with a call for partnership in 2022. Rationale is to accelerate the energy transition to meet climate goals and objective is to have a partnership to transform research and innovation across Europe, address the key challenge of energy transition and support visions and objective of energy unions, Clean Planet for All and European Green Deal.

Recognising national and regional programmes is key. This will pave the way for the European knowledge economy, to integrate with partnerships outside Europe too, support the implementation of NECPs and make Europe a frontrunner by becoming the first climate-neutral continent. Coherence with other European partnerships, such as hydrogen, built environment and construction, industrial battery value chain.

On Horizon Europe, a co-creation group was created on CCUS and we were fortunate to receive feedback from ZEP. The group was EC internal to provide input for next work programme. At the moment, the aim to submit work programme, where a skeleton will be discussed on 26 June. We have taken into account your input. CCUS in industry is an important element and also addressing clean hydrogen with CCUS. Infrastructure, storage and capture are all included. This is relevant to the SET-Plan and achieving targets.

On hydrogen, we are working on new strategy and there are prospects that clean hydrogen will play a more substantial role than before. EC wants to take lead on the next emission innovation initiatives. Clean hydrogen with CCUS could play major role here.

DG ENER

PH welcomes new ZEP reports, which show usefulness and relevance of ZEP for EC processes. High quality and appreciates this input.

PH outlines two communication strategies that are in the pipeline: hydrogen and integrated energy systems. Both are delayed one or two weeks. As part of the European Green Deal remains relevant and will now be adjusted for the recovery, to be discussed on 15 June, when energy ministers will hold an informal meeting.

For the TEN-E revision, not much news to share now. The public consultation is open. A recent ZEP report on transport provides relevant input to some discussions, namely role of support to non-pipeline CO₂ transportation. This clarifies the issue from the industry and ZEP's points of view, which is helpful for EC.

JH asks regarding the economic recovery, could you provide some more details/resolution to the proposed €2.5bn budget cut to TEN-E? **PH** says that he is happy to check this info and provide email answer to **POG**.

DG CLIMA

MP highlights that the first call of the Innovation Fund will be launched within the next month and a half. The expert group meeting was held on 5 June. The call targets large projects, above €7.5m and both CCS and CCU are eligible. **MP** explains the call, the selection process, etc.: webinars to help applicants will be organised in July and September, applications will close at the end of October with results and invitation for the second stage in 2021 and grants awarded in second half of 2021.

In response to questions, she highlights that:

- Calls will be held on a yearly basis.
- The only criteria where a project will be compared to projects in their own sector is GHG emissions avoidance potential: The minimum requirement is to match the benchmark. Project will most likely have to perform better than the minimum benchmark going forward.
- Funding is not different for various regions.

GS mentions that he attended the expert group meeting with **GB**, and made a number of interventions regarding the council party risk, coordination with Taxonomy, etc.

DG GROW

AV speaks about the new industrial strategy published in March, closely linked to the Green Deal. Investments under EU recovery plan will support industries transition and sustainable solutions. Industrial strategy mentions a few alliances. The alliance on low-carbon industries is of special interest, although not as straightforward as clean hydrogen strategy. Overall, the idea of introducing industry alliances has been welcome and will provide a new kind of capacity to become more operational – combining industry alliances with recovery funding and other instruments could speed up investments. CCUS remains firmly on the agenda. Regarding

alliances, it is not becoming a specific focus area, but will certainly be part of solutions that will be applied when the industry moves towards climate neutrality.

The mapping of energy and infrastructure needs a recommendation from the work of the high-level group. This is a tool that will help make analyses on the future needs and options regarding energy and infrastructure. This project is about to start with JRC but will not deliver very soon.

Asked if the Low-carbon industry alliance will cover blue and green hydrogen as well as CCU and CCUS, **AV** responds that it is not there yet – further work to be done and that it will be coordinated with the Clean Hydrogen Alliance. He highlights that the alliances are joint actions by multiple stakeholders including the industry, and that the EC is technology-neutral. **GS** highlights that ZEP should make that case.

Action: Update on the JRC clean energy infrastructure project as it progresses.

4. Updates on European Green Deal/EU Policy

GB provides the policy update, highlighting ZEP's work on the Hydrogen Strategy and Clean Hydrogen Alliance, as part of the ZEP workplan. **GB** adds that ZEP is following the European Parliament's own initiative report on the Industrial Strategy and has been invited to provide input. The report covers economic recovery and supports industrial strategy.

On Taxonomy, the Parliament will vote on the regulation on 17 June and the vote is expected to be positive. Once regulation is adopted, ZEP will follow the progress on the delegated act and on the establishment of the Taxonomy Platform. **GB** concludes with an update on the timeline for the Taxonomy related initiatives, highlighting the need to be prepared with input for the public consultation on the draft act in September.

5. EU Strategy for Integrated Energy Systems

GS notes that ZEP's input on this strategy is available on the website.

MvS gives a background and states that DG ENER has started to work on the view of decarbonised energy systems as a whole. He notes that Commissioner Cañete published the Clean Energy Package which set the frame for the energy market of the future and was very much focused on electricity, with elements linked to transport, share of renewable energy in fuels, buildings directive. DG ENER thinks that more is needed and must expand the scope of what they are doing for a climate-neutral Europe, e.g. the hard-to-decarbonise sectors, particularly when not through electrification. A lot of effort is dedicated to decarbonisation that cannot be done through electricity: heating, industry, transport, etc. and how to create markets, use existing infrastructure.

Dedicated communication on hydrogen, the important role it can play in the future for hard-to-decarbonise sectors. Hydrogen is always in competition with other technologies. How do we make partnerships and research across different areas work together? DG ENER is looking

at a partnership for sustainable industry, particularly on chemical industry, steel production and research in transport. **MvS** states that joint calls, cooperation and alignment are key priorities for the next months. He notes that ZEP include industry stakeholders, an interest in many different partnerships and can help make this happen.

MvS leaves the meeting due to broken connection. **PH** takes up the thread and highlights that DG ENER are putting together for different technologies an overview of development challenges and market conditions – a so called Clean Energy Research Outlook, where also input from ZEP has been used. This is now being shared with DG RTD and after that we would like to share it with ZEP for expert feedback.

6. Clean Energy Transition Partnership and the role of CCUS

GBK presents CETP, under Horizon Europe, supported by *attached* slides.

The draft CETP proposal shows indicative budgets from various countries, for the 7 years' program. It is also intended to cover SET-Plan priorities. CCSU is an initial thematic priority. A kick-off meeting for the strategic research and innovation agenda (SRIA) work has been held.

GBK discusses SRIA. It is important to realise challenges on various levels. CCS and CCU are part of the key enabling technologies. These allow development of a climate-neutral energy system through services: such as energy storage, heating and cooling, electricity, that need to be developed, on a system level.

Open consultation on CETP and stakeholder dialogues are a very important part of the process, dialogues goes though the IWGs and ERA-nets, open consultation to start soon. Dialogue sessions started on 29 May. IWG on CCUS discussed at the second dialogue on 4 June. Sessions lead to input papers, which bring together transition challenges identified by various groups. A process is developing now and the IWG9 and ERA-net act have been asked to provide input papers, that will be the starting point for the a draft SRIA in September.

GBK highlights to ZEP the importance of participating and taking a coordinating role, ensuring that people sign up to contribute in the process.

POG points out that the key question is the governance of the CETP in relation to the SET-plan. He highlights the importance of being involved, pushing for CCUS. In the process of preparing the strategic research and innovation agenda, IWG9 is the main stakeholder for CCUS and that within that frame, ZEP (Network Technology), in close cooperation with EERA, can take an active part in the work. IWG9 is now coordinating CCUS input across the stakeholder dialogues.

GS reiterates that IWG9 is the formal correspondent party but that there is highly effective cooperation. He highlights that ZEP must participate and that it may be easier for ZEP than the IWG9 to make submissions.

7. Review of Network Work Programmes

LE states that work is beginning on TEN-E regulations. Review in the pipeline for several months, first roadmap for feedback and the response to it was discussed at calls in April and May at the ACEC and ERG. Submitted on 8 June. Another consultation on the way. Two volunteers to co-chair this group from Shell and E3G. Work is progressing well, with a call next week. Hope for a draft for revision on 1 July and then submit a response. **LE** opens invitation for next NWPE meeting on 30 June.

FN provides an update on NWT. A number of reports have been finalised over the past months. He highlighted that the working group on hydrogen put together a brief report available on ZEP's website. The hydrogen working group next meeting on 12 June. The aim of the group is to work on a report, which will be an extended version of the brief: the whole hydrogen value chain, and possibly look into business models and European projects. **FN** highlights that new members are welcome to the group. The next NWT meeting takes place on 25 June.

SC asks if ZEP could set up a group of experts to advise on standardisation as the CO₂ cross-border PCIs are being developed? **RvdM** gives short background on the roles of ISO and CEN in this respect. **GS** replies that ZEP could set up a small group to follow this.

Action: Set up a small group of experts to follow the standardisation as cross-border CO₂ infrastructure projects are developing (link to the ISO work).

Approval of reports

Report on CO₂ Transportation: **FN** presents the report. **GS** opens floor for any further input. Since there are no proposed changes and no objections, the report is approved.

Report on Carbon Dioxide Removal: **FN** presents the report and its aims: the first of two reports, addressing two of four carbon dioxide removal principles. The other two principles dealing with upstream and downstream CO₂ removal will be addressed in a subsequent report. He also notes that an added example was received yesterday from Stockholm Exergi to be added.

- **GS** notes comment from **EdC** regarding CDA and CDU principles. **SS** comments that the example on direct air capture in Iceland on page 22, is a niche application, and that the word 'commercially' should be taken out.
- **GS** notes a number of amendments and highlights that **the approval will be done by email to the AC members.**

Report on CCU Sink Factor: The draft report was circulated on 5 June, so feedback allowed until 16 June. **RvdM** presents the report and thanks those who contributed. He notes a few things to be added to the report. He asks if the AC agrees with the concept in the report.

- **EdC** adds that process for CCU not added. **RvdM** highlights that while finalising the report, further comments were received, which could not be taken into account. **GS** clarifies that material must fit within report and be public information. **RvdM** says that he will finalise the report and ask approval by email.
- **GS** sees no objections to this and highlights that the approval will be done by email to the AC members.

GS notes that the Innovation Fund is taking the view that electricity input to everything will be net-zero. He highlights that this is contrary to the position of the Taxonomy and that this will be brought up with DG CLIMA. He refers to the TWG and mentions that it would be helpful if **EdC** and **AP** could take part in a call, clarifying how this would impact on projects and how we can avoid disconnect between various initiatives.

Action: Prepare input on the Innovation fund to DG CLIMA regarding CCS projects, emission-factor zero on electricity and disconnect/lack of alignment between the IF and Taxonomy.

8. External Relations Group update

POG gives a short ERG update, stating that most items have already been highlighted during the meeting. He highlights one consultation that is not in pre-reads. EU ETS will be an important instrument for CCUS and there is a new EC ask for feedback on the MRR regulation 2021-2030, to be finalised at the end of July. ZEP will look into this. **POG** summarises a list of successful meetings with EC representatives and highlights that the next ERG meeting takes place on 19 June.

LE asks regarding the meeting with EVP Timmermans. **GS** replies that the Cabinet recommend that the meeting will take place, logistics and design of meeting this week. A timeslot for the meeting will be confirmed shortly.

GS notes no other matters, reminds all of the next AC meeting on 23 September. Whether held virtually or in person will be made clear in time. Significant set of actions to be taken by then.

GS thanks all for attending, thanks presenters and closes the meeting.

9. AOB

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Attendance

Name

Organisation

List of participants, as of 9/06/2020

ZEP AC representatives

1. Stijn Santen	EBN
2. Isabelle Czernichowski	BRGM
3. Stuart Haszeldine	SCCS
4. Johanna Lehne (Proxy for E3G)	E3G
5. Florence Delprat Jannaud	IFPEN
6. Nils Røkke	SINTEF
7. Charles Soothill	Sulzer
8. Filip Neele	TNO
9. Rob van der Meer	HeidelbergCement
10. Lamberto Eldering	Equinor

11. Ward Goldthorpe	Sustainable Decisions
12. Constantin Sava	GeoEcoMar
13. Stanislas Van den Berg	Total
14. Syrie Crouch	Shell
15. Martin Snodgrass (Proxy BP for Liz Rogers)	BP
16. Stijn van Els (Proxy Allard Castelein)	Port of Rotterdam
17. Jonas Helseth (Proxy Frederic Hauge and Chris Littlecott E3G)	Bellona
18. Graeme Sweeney	Chair
External Speakers	
19. Gerdi Breembroek	RVO
20. Mark Van Stiphout	DG ENER, European Commission
21. Peter Horvath	DG ENER, European Commission
22. Marion Perelle	DG CLIMA, European Commission
23. Vassilios Kougiouas	DG RTD, European Commission
24. Antti Valle	DG GROW, European Commission
Guests	
25. Eric De Coninck	ArcelorMittal
26. Caterina de Matteis	IOGP
27. François Regis-Mouton	IOGP
28. Emrah Durusut	Element Energy UK
29. Pietro Gimondo	RINA
30. Brian Murphy	Ervia
31. Keith Whiriskey	Bellona
32. Josef Hauck	Schaeffler
33. Jordi Martinez	Telefonica
34. Vincent Ceri	Co2 GeoNet
35. James Todd	BP
36. Martijn van de Sande	RVO
37. Mehmet Onal	Shell
38. Anghel Sorin	GeoEcoMar
39. Valentin Moens	ETN
40. Marie Bysveen	Sintef
41. Svante Söderholm	Energimyndigheten
42. Jorge Martínez	Jubitero
43. Enrico Maggio	Sotacarbo
44. Jannicke Bjerkas	Fortum
45. Helen Bray	Shell
46. Anastasios Perimenis	CO2VE
47. Arthur Heberle	Mitsubishi
48. Nora Hansen	IOGP
49. Ane Gjengedal	Ministry of Oil and Petroleum Norway
50. Angus Gillespie	GCCSI

51. Christine Glorieux

IOGP

ZEP secretariat
Giorgia Bozzini
Per-Olof Granström
Meghann Kissane
Luke Warren