

## AC64 meeting minutes

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### MEETING MINUTES

#### ZEP 64<sup>th</sup> ADVISORY COUNCIL MEETING

23 September 2020, 10:00-13:00 CET

Virtual meeting

#### 1. Introduction and welcome

Chair, **GS**, verifies quorum and welcomes participants. **GS** moves to adopt AC64 agenda – agenda is adopted.

**GS** thanks **Helen Bray** of Shell for her contribution to ZEP and the ERG and wishes her good luck in future endeavours.

**GS** congratulates the achievement of a key milestone in SET-Plan – delivery of integrated projects in Norway, ‘Longship’. He notes that a press release has been sent out from CCUS SET-Plan / IWG9. He notes the leading role that is played by the cement industry.

**GS** moves to approve draft meeting minutes from AC63 and ACEC July and August – all approved. **GS** notes that actions from these meetings will be addressed in agenda item 2.

#### 2. Secretariat update

**GS** gives the floor to **POG**, who thanks Norway and congratulates Europe and the climate, regarding the ‘Longship’ project.

On the finance update he notes that the income follows the forecast while the expenditure is lower than budgeted due to the pandemic. The forecasted equity position at the end of the year is approx. EUR 200,000, which means that the target, set in order to handle the upcoming gap between this and the next ZEP grant, has been reached. **POG** also mentions the CCSA-ZEP service agreement, referring to the report on provided services is under item 8.

From ZEP Secretariat, **POG** thanks Helen Bray for her contributions and wishes her the best of luck. He notes that an ERG co-chair position has opened, goes through the role of the ERG and indicates that a call for applications will be sent out to all AC members.

**POG** shortly refers to the actions from AC63: ZEP will continue to report on the development of the JRC Clean Energy Infrastructure project; Under NWT, ZEP will during the autumn set

up a group to gather standardisation issues linked to the CO2 cross-border PCI projects; The input to DG CLIMA on the Innovation Fund has been submitted and discussed in several meetings with the Commission.

**GS** notes that the role of the ERG co-Chair is vital and encourages interested AC members to apply.

### 3. ZEP planning for 2021

**POG** presents the proposed plan for ZEP during 2021 in order to manage the probable gap between the end of current ZEP grant and the beginning of the next. He highlights the large amounts of policy initiatives impacting CCS and CCU over the coming years and goes through the basis for the plan, including the surplus of funds secured in ZEP and the ZEP grant and the need for an extension. **POG** also highlights the proposal to prepare the grounds for a future possible inclusion of a Projects Network in parallel with NWT and NWPE within the ZEP structure.

**POG** seeks the endorsement from the AC to continue the planning as presented, formally apply for an extension of the ZEP grant, to prepare a 2021 budget for AC65 and to prepare proposed amendments of the ZEP bylaws in order to have a possibility to introduce a Network for projects in ZEP structure.

**SC** asks how this refers to the existing CCUS Projects Network under DG ENER and how coordination is supposed to be done. **PH** asks how this network under ZEP would be different to existing CCUS project network?

**POG** notes that coordination and knowledge-sharing between projects but also including the work on technology and policy is crucial. He highlights the increasing interest for upcoming EU CCS and CCU projects, which now is even stronger with the Climate Law and post-pandemic recovery. **POG** highlights that a ToR will be brought forward in due time. **GS** adds that there is time for further discussion, aiming for the end of 2021. He also mentions that it is good contingency planning to enable this function to continue within a consolidated ETIP and IWG9, to be able to assist the Commission in the best possible way. How this will be done will rely on Commission. **PH** notes that by end of 2021, the CCUS Projects Network will come to the end of its contract. **LE** raises question on the extension and **POG** responds that this will be up to DG RTD.

**GS** asks the AC for approval of the plan, including the extension of the grant, preparation of the budget and proposed amendments of the ZEP bylaws to have the possibility introduce a Network for projects in ZEP structure. The motion is approved.

### 4. Climate law – EU recovery

**GS** gives the floor to **PH** for an update. **PH** discusses the Green Package, 55% emissions reduction target and revision of a number of legislative instruments. CCUS is mentioned in one context, namely industrial emission reductions, where the assessment of current policies indicates emission reductions of 25% by 2030 can be done. He highlights that CCUS will have to be proven and operational in a few places at least in the EU. It mentions in the same context also hydrogen. This defines our role, the role of ZEP, Horizon Europe and Innovation Fund – what will have to be done in CCUS during this decade. **GS** notes that vast number of programs for ZEP and its Networks to be working on and we need to also coordinate with how the Commission sees this, in order to be effective in huge amounts of change.

**SC** highlights that carbon accounting and certification will need to be strengthened as it will play a critical part going forward, and **GS** echoes her comments, recalling the outcomes of the European Sustainable Taxonomy.

**GS** moves to SET-Plan steering group topic and gives floor to **AC** to discuss what will happen to the CCUS input and impacts for conference in November. After a short background, **AC** notes the importance of adapting the SET-Plan to reflect the new political priorities such as the European Green Deal, recovery plan, and next generation EU, recovery and resiliency.

On the SET-Plan conference, **AC** says a stronger link between the work of the SET-Plan and IWGs and energy initiatives is at the core of this year's conference. Specifically, she thanks IWG9 and ZEP for the input submitted on the role of CCUS in the energy system integration. She informs that the programme design is ongoing, that the next SET-Plan steering group will take place on 21 October and that she will share more information with the IWGs in the coming weeks. The aim is to present at the SET-Plan conference the work of the IWGs related to the main climate and energy initiatives of the European Commission and to discuss how the SET-Plan can contribute to the European Green Deal.

## 5. Hydrogen Strategy and Clean Hydrogen Alliance

**GS** gives the floor to **FD** for introduction. **FD** adds that he is speaking on behalf of Tudor Constantinescu, who sends his apologies that he cannot not attend. **FD** gives an introduction to the EU Hydrogen Strategy. **GS** questions **FD** on the promotion of CO<sub>2</sub> threshold based clean hydrogen definitions, alongside LCAs. **FD** replies there are further works on certification and definition of this threshold. He also mentions that the focus for low-carbon hydrogen is for the short and medium term.

A session on questions and answers follows and **GS** notes that further questions are welcome in writing. **GS** finalises by highlighting the need to continue to press the roles and definitions described, such as the crucial need for new blue hydrogen capacity.

**GS** moves to Clean Hydrogen Alliance as a decision is required. He proposes that ETIP ZEP shall join the Hydrogen Alliance and asks for support from the AC. He notes that an application has been submitted on advice from ACEC and is looking for endorsement for this application. **GS** acknowledges agreement of **AC**. He thanks Titas Anuskevicius from DG GROW, who is present and ready to answer possible questions.

## 6. Innovation Fund

**MV** gives an update on the first call of the Innovation Fund, that will close on 29 October. She says that DG CLIMA is starting to prepare evaluations and briefing material for evaluators and recalls the Clean-tech financing conference on 25 September, which aims to mobilise private and public co-investors in low-carbon technologies. In the meantime, DG CLIMA is also preparing a call for small-scale projects, which may be of interest for CCU, to be launched on 1 December.

Regarding the Taxonomy, **MV** mentions that capture is included in industry while transport and storage are separate activities, that there are discussions on retrofitting of pipelines for CO<sub>2</sub>, and that all activities on CO<sub>2</sub> transport are in one place. She concludes that it seems to be going well for CCS.

**GS** invites **LE** to comment on the first call of the Innovation Fund from a project perspective. **LE** notes the positive momentum around the Norwegian full-scale CCS project, and states that the Innovation Fund is an opportunity to show interest for CCS going forward. He looks forward to seeing the learning from the first call. **MV** confirms that adjustments will be made in the second call.

**GS** receives a question on Sustainable Finance Taxonomy Platform, refers to the pre-reads and that the first meeting of the Taxonomy Platform is foreseen in November. ZEP is taking forward work on CCU, biomass and waste-to-energy to the Taxonomy Platform. Short Q&A followed.

Following up with a question on the Innovation Fund, **JH** refers to the letter sent from the European Commission to the Norwegian ambassador regarding the positive answer to accept shipping of CO<sub>2</sub> in the Northern Lights project in the EU ETS. He asks if the EC is planning to announce clarification on the inclusion of CO<sub>2</sub> shipping into the EU ETS. **MV** answers that her colleagues responsible for monitoring and reporting, will make an announcement at the climate change committee, possibly in October, explaining to the member states that this is a possible approach. She clarifies that this would not change the legislation, but rather be an interpretation of the current rules. **JH** asks if it would be possible to get a written clarification prior to that meeting. **MV** responds that if any projects need such clarification, they must request this project by project. All projects are quite aware that this is possible. **GS** notes that it is clear, a procedural matter but shouldn't be difficult to get the same result. **JH** highlights that ZEP may want to send this information to the Government Group.

## 7. CCS/CCU pathway to 2050

**GS** moves to item 7 and gives the floor to **IB**, who presents the first draft findings from the study (the slides are appended for information). **LW** gives a short background on the study and holds a short Q&A session. On **WG's** question, **IB** explains that there has not been a full

analyses regarding differences in model assumptions. **FN's** comment regarding higher cost in scenarios with less CCS/CCU deployment is noted and written comments to the presentation is welcomed.

**GS** thanks for the comments and indicates that the IWG9 will hold a Strategic Coordination Meeting on 1 October to discuss the draft findings of the study. The slides presented today will be circulated to the attendees for further comments.

## 8. Horizon Europe/partnerships

**GS** gives the floor to **VK** to give an update on the Horizon Europe and the partnerships and to also include the last Horizon 2020 Green Deal call. **VK** notes that preparations are ongoing for Horizon Europe and that on 28 September, the committee will discuss the Commission proposals and the partnerships. **VK** highlights that there are five proposed topics for CCUS, although he cannot provide details, but hopes that he can provide details later in the year. He mentions that the first calls for proposal in the first half of 2021.

**GS** notes the recently released Horizon 2020 Green Deal call and highlights that **VK** and **PH** will be contacted bilaterally on this call.

**GS** moves to CETP SRIA and gives the floor to **POG**. **POG** thanks the task force for their good input when preparing the CCUS input paper and refers to the pre-reads. document. To highlight the way forward, **POG** invites **MB** to speak about the meeting last Monday, as the process forward is up to the member states. **MB** notes that she has been appointed by the Norwegian ministry to be the contact person for the development of the CETP SRIA. She highlights that the meeting on Monday was well attended by member state representatives and that the work of compiling and restructuring the material into the final SRIA now has started. **GS** thanks the parties involved for good work and asks for continued good work.

## 9. Updates from Networks and ERG

**GS** gives the floor to **LE** for the NWPE update. **LE** provides update on the last meeting in June. The activity focused on consultations such as TEN-E, Hydrogen Roadmap, Energy System Integration and EU ETS MRR. A number of new consultations are coming up, an important one is carbon border adjustment will be discussed at the next NWPE meeting in October.

**GS** gives the floor to **FN** for NWT update. **FN** gives brief update on the network:

- Over the summer, several reports were completed and are available on the ZEP website
- Preparation has begun for the next NWT meeting on 5 November and the current work in NWT includes providing input on CETP SRIA from ZEP.

- The TWG CDR is also working to provide input on CCU, biomass with CCS and waste-to-energy with CCS to the EC and Taxonomy Platform. The final draft of the CDR report is expected for the AC65 meeting in December.
- NWT will also be setting up a group on standardisation issues later this year.
- The TWG Hydrogen is working on a report. **AH** adds that the group is considering topics such as pipelines, hydrogen projects, etc. and will present the draft report in November at the ACEC meeting. The final approval to be given at the AC65 meeting in December.

**GS** gives the floor to **JH** for the ERG update. **JH** gives a brief summary of ERG calls and notes some topics from engagement plan meetings with EC policymakers. After that, **MK** gives an update on the communication's work. **MK** summarises the key communications activities including the revised ZEP members newsletter, the setup of a Communications Information Group, update to the ZEP website and infographics prepared for the website and for communication purposes.

**GS** notes no further questions or comments.

## 10. Closing remarks and next meeting

**GS** reminds of the December meeting date – 16 December.

**LE** raises a point from agenda item 9 regarding the communications update, noting that ZEP communicates its support for net-zero by 2050 in responses to consultations and external communication. **GS** recalls that the AC has previously agreed with the statement and **POG** adds that this is in line with the action from the 2019 December AC meeting.

**GS** thanks all for participating and closes the meeting.

## List of participants

ZEP AC representatives		
1	Dr Graeme Sweeney	Chairman of ZEP
2	Isabelle Czernichowski	BRGM
3	Stuart Haszeldine	University of Edinburgh (SCCS)
4	Frederic Hauge	The Bellona Foundation ( <i>Proxy to Jonas Helseth</i> )
5	Liz Rogers	BP ( <i>Proxy to James Todd</i> )
6	Florence Delprat-Jannaud	IFP Energies Nouvelles
7	Chris Littlecott	E3G ( <i>Proxy to Joseph Dutton</i> )
8	Nils Røkke	SINTEF ( <i>Proxy to Marie Bysveen</i> )
9	Charles Soothill	Sulzer

10	Filip Neele	TNO Energy
11	Rob van der Meer	HeidelbergCement
12	Lamberto Eldering	Equinor
13	Ward Goldthorpe	Sustainable Decisions
14	Allard Castelein	Port of Rotterdam ( <i>Proxy to Stijn van Els</i> )
15	Stanislas van den Berg	Total
16	Stijn Santen	EBN
17	Syrie Crouch	Shell
<b>External speakers</b>		
18	Peter Horvath	European Commission
19	Alessia Clocchiatti	European Commission
20	Titas Anuskevicius	European Commission
21	Maria Velkova	European Commission
22	Vassilios Kougiouas	European Commission
23	Fabio Domanico	European Commission
24	Dr Isabela Butnar	UCL Institute of Sustainable Resources
<b>Guests</b>		
25	Carl Demare	ArcelorMittal
26	Lina Strandvåg Nagell	Bellona
27	Ceri Vincent	BGS
28	Martin Towns	BP
29	Lee Beck	CATF
30	Anastasios Perimenis	CO2 Value Europe
31	Pietro Gimondo	CSM
32	Graham Bennett	DNVGL
33	Karl Smyth	Drax
34	Joseph Dutton	E3G
35	Jorge Martinez	Endesa
36	Daniele D'Angelo	Eni
37	Irma Paceviciute	Equinor
38	Brian Murphy	Ervia
39	Valentin Moens	ETN
40	Félix Mailleaux	ETUC
41	Jan Steinkohl	European Commission
42	Antonella Sorpranzetti	Exxon Mobil
43	Robin Clowes	Exxon Mobil
44	Paola Mazzucchelli	F. Circe
45	Ståle Aakenes	Gassnova
46	Eve Tamme	GCCSI
47	Angus Gillespie	GCCSI



48	Caterina de Matteis	IOGP
49	François-Régis Mouton	IOGP
50	Arthur Heberle	Mitsubishi Power Europe
51	Stig Svenningsen	Norwegian Ministry of Petroleum and Energy
52	Charlotte Elvsaa	Norwegian Ministry of Petroleum and Energy
53	Bram Sommer	Port of Rotterdam
54	Martijn van de Sande	RVO
55	Mehmet Onal	Shell
56	Christian Schwarck	Shell
57	Kristin Jordal	Sintef
58	Enrico Maggio	Sotacarbo
59	Chris Gittins	Taq Global
60	Jen Cronin	UCL Institute of Sustainable Resources
61	Fred Selhorst	Victrol
62	Chris Davies	
63	Vincent Basuyau	
64	Svante Söderholm	
65	Tom Mikunda	Netherlands
66	Paul Bonnetblanc	France
<b>ZEP Secretariat</b>		
	Giorgia Bozzini	ZEP Secretariat
	Per-Olof Granström	ZEP Secretariat
	Meghann Kissane	ZEP Secretariat
	Luke Warren	CCSA