

MEETING MINUTES

ZEP 66th ADVISORY COUNCIL MEETING

17 March 2021, 10:00-13:00 CET

Virtual meeting

1. Introduction and welcome

Chair, **GS**, welcomes all to the meeting and reminds of meeting etiquette. Asks for approval of AC66 agenda – notes no further agenda items and adopts agenda. Notes proxies from two AC members. Chair welcomes **Kim Bye Bruun**, Northern Lights JV DA, as new member of the AC. **KBB** gives a short introduction to the Northern Lights JV company. Chair also welcomes **Chris Bolesta**, DG ENER, joining for the meeting and who is pleased to be back in CCS work.

Chair thanks **Rob van der Meer** for his contributions to ZEP.

The meeting minutes from AC65 and ACEC January, as well as the ACEC February draft meeting minutes, are all approved.

2. Secretariat update

POG updates regarding ZEP finances, mentioning the extended ZEP grant ends in October and why €50,000 in the budget is allocated to November and December. The balanced 2021 budget and continued increase in member sponsorship indicates a possible increase of the remaining budget at the end of this year from the approximately €187,000 at the start of 2021. He informs that the ZEP-C General Assembly will be held directly after the June AC meeting. **POG** notes that all actions from the latest AC and ACEC meetings are handled and included in corresponding agenda items for today's meeting, mentioning the two new reports on CDR and hydrogen and thanking all involved. He highlights the upcoming ACEC strategic seminars, to prepare for the new ZEP in 2022, and with a focus on support to stakeholders, the value proposition for members, and to increase ZEP's impact. The first seminar will be held on 24 March. **LE** comments on the budget slide – typo '2020' should be '2021'.

3. Updates from Networks

LE introduces the two new NWPE Co-chairs – **Lina Strandvåg Nagell** and **Christian Schwarck**, who will support the network going forward. Since AC65, much has happened in NWPE and ZEP has responded to several consultations. **LE** summarises ZEP's key messages in responses to the revision of EU ETS Directive. Notes that DG CLIMA approached ZEP regarding the Innovation Fund to ask if ZEP would endorse a shorter approach to the application process. Following internal discussions in ACEC, ZEP responded supporting the one-step process, but added that any decision by DG CLIMA should not be detrimental for projects which need a two-step process, as large CCS projects can be suited to two-step process. **LE** notes Taxonomy will be addressed later in the meeting.

LE introduces the revitalised Policy & Funding Group and the new Terms of Reference, which was circulated with ACEC members. The kick-off meeting has taken place. Invites **LSN** and **CS** to give their feedback from this meeting. **CS** notes the group helps to drive ZEP's policy positions and consultations. **SC** highlights the

importance of standardisation for CO₂ shipping, asking how ZEP will engage. She also asks about TEN-E and interconnections between EU and the UK.

On standardisation, **LE** adds that the TEN-E does not look at this but can help. On infrastructure, the biggest point for DG ENER is that it could not identify any challenges (legal or regulatory) for shipping and did not see that TEN-E needed to address this.

POG refers to the questions by **SC** and notes that ZEP is preparing for an expert seminar on CO₂ transport by ship linked to the EU ETS Monitoring and Reporting Regulation on 12 April, involving a study commissioned by the Dutch government. Here also other standardisation issues linked to CO₂ transport by ship can be included. Regarding TEN-E and the UK, he mentions that from what we understand so far, infrastructure between the UK and an EU Member State can become a PCI and also apply for CEF funding.

GS put forward a set of ideas on TEN-E to Parliament process – standardisation may be of use as part of this to help progress overall activity. **GS** notes that in agenda items 4 and 5, we can hear if we have the right focus or if we should shift our focus to EP for now. **SC** adds on negative emissions: developing a way to assure and accredit them and she mentions the upcoming meeting with Microsoft. **GS** states this can be an agenda item at AC67.

FN gives NWT update and highlights the two recent reports on CDR and hydrogen, which were further communicated at ZEP webinars in February and March. The Network is following work in the ISO, which is steadily progressing in different technical groups, where ZEP can provide input where needed or alerting the ZEP community if needed. NWT will support the work on the CCUS Roadmap to 2030. The TWG CCS for clean power generation has held with meetings between chairs **RdK** and **AH** and the work is to kick-off soon. It will address how CCS can provide flexible power in a situation where there is increasing input from renewable power sources and will take a look at work in previous ZEP working groups.

The TWG Directive on geological storage of CO₂ does not aim to reopen the Directive for review but looks to formulate as best as possible how operators developing CCS or CO₂ storage plans for saline or depleted fields can do so in a less complex manner as the directive seems to outline. Suggest ways to deal with issues that have been highlighted with the directive. The first meeting will take place on 19 March – please contact **FN** or ZEP Secretariat to get involved. The group is chaired by **FN** and **SH**.

RvdM updates on the status of the TWG Carbon-Neutral Biomass, noting the group has 10 people involved looking into how to assess emissions from carbon-neutral biomass within current and future EU legislation. Notes that the group participants present different views and the report will contain various scenarios. The next meeting takes place on 18 March.

FN adds that the working groups aim to provide updates at the AC67 meeting in June. **GS** opens the floor for question and comments.

4. Updates from ERG

MK updates on Communications, mentioning communications work on recent ZEP reports on CDR and hydrogen: through ZEP channels, webinars, and infographics available on the ZEP website. The work coordinated with the ZEP informal Communications Group is also showcased – the CCS/CCU market-ready projects map on ZEP's website, coordination leading up to and at COP26, work on developing a CCS Facts & Information Toolkit to help communicate about CCS, as well as the TEN-E Campaign.

5. TEN-E Regulation revision

POG gives a short introduction and notes some of the given reasons why the European Commission's proposal for a revised TEN-E regulation does not include CO₂ storage and other modalities for CO₂ transport. CO₂ infrastructure is 'still' included in the regulation but the inclusion has been criticised by NGOs and MEPs and there has not been enough support from stakeholders. He highlights the importance of support from all stakeholders and the power in numbers. ZEP now has strong and coordinated action plan with focus on policymakers in the EP, Council and MS.

MK gives update on the upcoming webinar on 23 March that will focus on the TEN-E Regulation and cross-border CO₂ transport and storage infrastructure, co-organised with Bellona Europe and Clean Air Task Force. **GB** provides an update on engagement with stakeholders in EU Parliament and Council. The timeline for exchange of views in the ITRE has been moved to 25 March. There will be opportunities for stakeholders to provide input by the end of April. Next week the topic of TEN-E features on the agenda for the ZEP Government Group meeting.

TM gives a presentation noting The Netherlands has high ambitions for CCS – 10 MT CO₂ per year by 2030. To enable this, there is SDE++ mechanism, and they can see extremely high ambitions for capturing CO₂, expecting high interest for the next SDE++ call after the summer. Developing CO₂ storage sites takes time, and it is necessary to think ahead – how do we encourage companies with technical capabilities to do this and make the investments? TM highlights the strong need to develop CO₂ storage capacity and on time to support for CCS to happen in Europe. How do we prevent this storage bottleneck?

A short discussion follows on development of CO₂ transport and storage. **KBB** adds from a Northern Lights perspective, that they have a team which engaged actively with emitters across Europe – the appetite for storage is there. There is commercial risk involved with making investment decisions in storage development and technical risk which must be considered by developers. **GS** raises the topic of shipping standardisation and highlights the TEN-E progress as an agenda item for AC67.

6. Low-carbon hydrogen

WH introduces the role of SolarPower Europe in the European Clean Hydrogen Alliance, leading the Secretariat of the Low-carbon and renewable hydrogen production roundtable. **WH** summarises the missions of the ECHA – to identify projects and deliver a project pipeline by May 2021 – and highlights the strong dependency of the EU Hydrogen Strategy.

POG thanks **WH** for the presentation and the ECHA work. ZEP is active in the ECHA production roundtable, giving comments and input based on technology-neutrality during the process. He highlights that the project pipeline must not exclude large scale and cost-efficient projects that can contribute to the EU climate goals and meet the Taxonomy thresholds. **POG** also asks **WH** what she sees as the end result of the work and the use for the project collection?

GS gives an update from his comments at the ECHA CEO meeting, emphasising a science-based and technology-neutral approach, the importance of correctly calculating the carbon footprint of all technologies, and that eligibility criteria must be harmonised with other EU policies, referring to the Taxonomy's TEG report. **GS** notes a question in the chat on what ZEP can do. **WH** responds that the end result has been a moving target. Now the focus is on large as well as medium and small projects if they can scale up. **WH** highlights the importance not to close the project pipeline too early as important pieces of legislation are coming up, such as Taxonomy and RED II revision. The Commission is opening a call next week and the list of projects should

inform ongoing work of member states resilience and recovery plans. On how ZEP can help, **WH** says that ZEP is already helping with input shaping archetypes and project attributes. It is also up to ZEP members to submit their projects. **WH** also replies to question from **NR**, that full or partial LCA is still being discussed.

GS urges ZEP members and observers to put forward hydrogen projects they are working on in the European Commission application starting next week.

7. EU Taxonomy

GS gives an update regarding the EU Taxonomy. Substantial discussions are ongoing, a delay is expected and it is unclear how things will play out and if individual views in the process will prevail. There are substantial differences in views.

8. EU funding programmes updates

VK gives an update on Horizon Europe and partnerships, referring to the drafted work programme and expect to start with topics on CCUS in hubs and clusters as well as on cost reductions of CO₂ capture. He also highlights that the aim is to continue the support of ETIPs linked with SET-Plan activities as a common topic for all ETIPs. Internal EC consultation is ongoing on Horizon Europe, expected to end next week. **VK** also updates on partnerships on hydrogen and the Clean Energy Transition, on national cooperation, Mission Innovation, and notes that the publication is delayed to mid-May.

POG gives a short update on the work of the CCUS SET-Plan, highlighting the CCUS 2030 Roadmap that will provide information to EU and MS policymakers, companies and finance community on what needs to be done during the 2020s to reach the targets. The work is to be finalised by October so it can be used in the communication in the run-up to COP26.

MV gives an update on the Innovation Fund. The small-scale call has closed and they are preparing evaluation. Not as many CCS projects in this call as the large-scale call, that saw great interest with 311 projects. The work on the second call for large-scale proposals is starting and there is a proposed change, which would allow one-step applications, speeding up the process.

EdC asks to clarify the number of projects that will receive a letter informing them of the outcome. **MV** responds that all will receive the letter and 70 will continue on. **LB** notes the subsidy scheme and any plans for increasing the budget for the next round? **MV** responds that there are discussions around this, such as the review of the EU ETS Directive.

JH asks questions regarding the second call if there is any clarity on the grid electricity emissions factor for projects. **MV** responds that at present, they are collecting lessons learned from first stage applications. The emissions factor is not on the table for the moment but will be looked at. She also notes that this is a long discussion but there are differences in Power Purchase Agreements and Guarantees of Origin. The evaluators will look at the types of PPAs. The decision for zero emission factor grid electricity was to focus on reducing burdens on projects and not complicating them further. The focus is to demonstrate the technologies that will deliver in the future and differentiate the support that may be available through RED and CCU fuels.

GS notes that the lifecycle analysis topics will continue to be a key discussion and we will continue to follow this.

9. Closing remarks and next meeting

GS thanks all for their participation and looks forward to work at upcoming ZEP meetings. Closes the meeting.

List of participants

ZEP AC representatives		
1	Jonas Helseth	Bellona
2	Shirley Oliveira	bp
3	Isabelle Czernichowski	BRGM
4	Lee Beck	Clean Air Task Force
5	Chris Littlecott (<i>Proxy to Johanna Lehne</i>)	E3G
6	Stijn Santen	EBN
7	Lamberto Eldering	Equinor
8	Robin Clowes	ExxonMobil
9	Jannicke Bjerkås	Fortum Oslo Varme
10	Rob van der Meer	HeidelbergCement
11	Florence Delprat-Jannaud	IFPEN
12	Kim Bye Bruun	Northern Lights JV DA
13	Syrie Crouch	Shell
14	Nils Røkke	SINTEF
15	Charles Soothill	Sulzer
16	Ward Goldthorpe	Sustainable Decisions
17	Filip Neele	TNO
18	Stanislas van den Berg (<i>Proxy to Hernan Silva</i>)	Total
External speakers		
19	Vassilios Kougionas	European Commission
20	Maria Velkova	European Commission

21	Tom Mikunda	The Netherlands Ministry of Economic Affairs
22	Walburga Hemetsberger	SolarPower Europe
Guests		
23	Lee Chauvin	Air Liquide
24	Marc David	Air Liquide
25	Sidonie Ruban	Air Liquide
26	Eric De Coninck	ArcelorMittal
27	Lina Strandvåg Nagell	Bellona
28	Ceri Vincent	British Geological Survey
29	Alessia Virone	Clean Air Task Force
30	Anastasios Perimenis	CO2 Value Europe
31	Karl Smyth	Drax
32	Svante Söderholm	Energimyndigheten (Swedish Energy Agency)
33	Daniele D'Angelo	Eni
34	Lucie Boost	Equinor
35	Chris Bolesta	European Commission
36	Elisa Todesco	ETN
37	Antonella Sopranzetti	ExxonMobil
38	Paola Mazzucchelli	F. Circe
39	Ståle Aakenes	Gassnova
40	Angus Gillespie	GCCSI
41	Eve Tamme	GCCSI
42	Guloren Turan	GCCSI
43	Christoph Reissfelder	HeidelbergCement
44	Arthur Heberle	Mitsubishi Power Europe
45	Stig Svenningsen	Norwegian Ministry Petroleum & Energy

46	Marleen Ramakers	Port of Antwerp
47	Martijn van de Sande	RVO
48	Mehmet Onal	Shell
49	Christian Schwarck	Shell
50	Marie Bysveen	SINTEF
51	Frederic Linsig	Total
52	Francis Poivre	Total
ZEP Secretariat		
53	Per-Olof Granström	ZEP Secretariat
54	Giorgia Bozzini	ZEP Secretariat
55	Meghann Kissane	ZEP Secretariat
56	Luke Warren	CCSA
57	Dr Graeme Sweeney	Chairman of ZEP