

## ZEP Advisory Council Meeting #47

Minutes of meeting

Date and time: 8 June 2016, 10.30 – 17.30 hrs.  
Venue: Berlaymont building  
Status: To be approved by AC

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The list of attendees is attached as annex II.

### 1 Introduction and aims

Chairman opened the 47<sup>th</sup> meeting of the ZEP Advisory Council. He welcomed attendants (see annex I), in particular candidate AC member Pierre Toulhoat and concluded that AC is quorate.

During lunch the ZEP AC took a vote on the membership of Mr. Toulhoat of the ZEP Advisory Council. **DECISION: Mr. Toulhoat is accepted as member of the ZEP Advisory Council**

AC adopted the Agenda for AC47.

AC approved the minutes of AC46.

Graeme summarized the CCS developments and ZEP Q2 activities, see the pre read documents. In particular he highlighted the discussion he had with offices of member companies about in-kind support to ZEP's ERG. ZEP has accepted the Shell offer to assist with organisation of a workshop with MEPs in July, which would be timely for influencing the compromise amendments that are then being shaped. ZEP has also accepted the BP offer to focus one of their 'sushi' lunches on funding in September – focusing on key Commission officials, MEPs, etc, to include messaging on CCS when their key leadership is in town and to include ZEP messaging in their ongoing engagement processes. Statoil does not have any resources in Brussels that can be made available, but Lamberto will assist where he can. Elise of GE will assist but CCS is not her top priority.

### 2 Where we are

Secretariat summarized the decisions taken at the previous meeting of the advisory Council (see pre-read) and the forward view (see pre-read).

### 3 Report European Commission

Vassilios Kougionas updated AC about the process for developing the implementation plan for CCS in which the ETIPs are asked to participate (see presentation that was shown at the meeting).

Vassilios also informed ZEP about the grant for the ZEP secretariat.

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Three proposals were submitted, of which the proposal of CCSA was highest ranked. EC expects to sign the grant agreement at the end of July.

- **ACTION: ZEP shall write a letter to EC in which it asks and motivates the starting date of 1 August.**
- The proposals included a budget for remuneration of the services of ZEP's chairman. This was taken out on advice of the legal services of EC.
- comments:
  - ZEP is disappointed about taking out the chairman funding, particularly because this was explicitly discussed with EC beforehand.

#### DG CLIMA

- Member states have the obligation to report to DG CLIMA on the implementation of the CCS directive. The deadline for reporting by MS was April 2016. Half of the MS did submit their report in time. DG CLIMA will report on these reports. That CLIMA report will be issued before the state of the energy union report in autumn. For CCS it is important to see whether CCS features in the MS reports. Maria will report at the next AC meeting in September whether this is indeed the case.
- CLIMA is carrying out a study on article 33 of the CCS directive that requires new-built power plants to be CCS-ready. The results are expected to be available mid July. The 1<sup>st</sup> part of the study is about experiences about CCS-readiness around the world. This part is nearly ready. The 2<sup>nd</sup> part is about the practical application of the directive in the member states. The consultant that carries out the study find it hard to get relevant info. The third part will be based on part 1 and 2 and will be the development of recommendations. That work hasn't yet started.
- DG CLIMA is in the early stages of reviving a project on cooperation with China. If this project indeed takes off there will be parts relevant for ZEP such as development of the regulatory framework.
- Maria and Michael have had a conversation with DG Regio in order to better understand the opportunities for funding CCS with regional funds. Maria notes that DG Regio can't decide on these funds: this is the prerogative of the regions themselves. It is therefore important to understand what logic drives the decisions on this topic: It could be about regional development and jobs. She hopes to report to ZEP in due time.

## 4 CCS projects

### 4.1 Mitsubishi

Mr. Iijima presented:

- An overview of the MHI carbon capture technology and track record, with a set of policy recommendations, i.a. to decouple capture and storage.
- A presentation on an emission-free energy system based on ammonia

Comments:

- AC thanked Mr. Iijima for the interesting and valuable presentations.
- The presentation shows many examples of CCS projects that are in operation and functioning to satisfaction, demonstrating that CCS is a technologically and commercially feasible technology option. This should be brought to the attention of European policy makers

- MHI holds the view that such a proposed ammonia-based energy system could pass the European regulations on NOx
- The driving force for commercial deployment of the MHI projects is the business case.

## 4.2 Gateway

Marie Bysveen and Filip Neele presented the Gateway project. The project has described 4 pilot cases. These have been screened with 7 criteria, resulting in the selection of the pilot “Road nucleus” as the preferred PCI project that is expected to have the best chance of success. In the forthcoming months the Gateway project will focus i.a. on the development of the business case and find the “owners” that could carry forward the PCI project. The Gateway project would like to see a ZEP Working Group on PCI to help with this. Marie asked ZEP to support the Gateway project and asked in particular whether the pilot is in line with ZEP strategic mission and whether the development of the business case could be the generic model for the development of CCS in Europe.

### Comments:

- ZEP appreciates the work and considers it valuable
- ZEP agrees that the project is in line with ZEP vision, and that it could be a generic framework for developing clusters of CCS projects.
- Commitment from industries would require more clarity about the role of each of the stakeholders and in particular what is asked from industry. At an early stage the emitters need to be involved. What will be the offer to them. Because the gateway project is about developing a PCI and because it is not yet clear what conditions need to be satisfied for a project to become a PCI these questions cannot yet be answered.
- It is crucial to meet the deadline early next year for submitting a good proposal for a PCI.
- There are some worries about the current status of ROAD project, in particular about its ability to deliver a pilot at scale. The version of road now is rather incomplete. It misses in its first phase the off shore component. That component will only be added in the next phase and is dependent on a lot of things. It might be better to link the PCI with Rotterdam rather than with ROAD.
- The crucial part of the project is the pipeline between Antwerp and Rotterdam. For a PCI to be successful the investors in such a pipe line need to be involved and committed.
- It seems that the ambition of Antwerp port about CCU(S) has been scaled down. Antwerp would not like to be dependent on Rotterdam. Antwerp may be swayed by showing the competitive risk of Rotterdam going it alone and showing the importance for retaining jobs
- Summary:
  - o ZEP agrees to the Gateway work, but it is only part of what needs to be done.
  - o ZEP will put together a Working Group to support the work on a PCI
  - o The cooperation between Rotterdam, Antwerp and Nord should be stimulated with some sort of a catalyst
  - o The collaboration between Rotterdam, Antwerp and Nord Rhine Westphalia may need a catalyst,
  - o **ACTION: NWPE will write ToR for the ZEP TWG on PCI-work.**

## 5 Priorities for 2016/2017

At the request of AC Ward Goldthorpe headed a group that reviewed the ZEP priorities and proposed a revised set of priorities. Comments:

- It was suggested to broaden priority 4.2 (ETS reform) beyond ETS
- There are substantive change programmes underway such as the DoI of the SET-plan SG. These may in due time require ZEP in a later stage to add or amend priorities

**DECISION: AC agrees the revised set of ZEP priorities for 2016/2017**

## 6 ETIP

Nils presented the proposal to convert ZEP to an ETIP.

- o ACTION: ZEP will respond to the proposed DoI by the deadline of 15 June. AC mandates ACEC to develop the response.
- o ACTION: ZEP will send a letter to EC in which it declares itself to be the ETIP.
- o Bylaws:
  - On page 5 (the ZEP objectives) the phrasing needs to be improved (producers of biofuels and hydrogen). Also the impression needs to be taken away that utilities are excluded.
  - On page 12: It should be made clear that this includes process emissions (e.g. cement). Rephrase: Fossil, biogenic and process derived CO<sub>2</sub>.
  - The bylaws need to be reviewed for consistency. I.a. in the footer ETP needs to be replaced by ETIP.
  - Nils, as a chair of WG ORG, will organize that ZEP is represented in the TWG that the SET plan SG will set up for the development of the implementation plan.
  - **DECISIONS**
    - o **The proposal for transition to ETIP is adopted**
    - o **The proposed modified bylaws are adopted, on the condition that the comments are taken into account. The revised bylaws will enter into operation when EC confirms the ETIP status of ZEP**

## 7 Networks and Government Group

### 7.1 NWT

Filip presented the progress of the NWT work, see his presentation.

### 7.2 NWPE

Tim Bertels informed AC about the progress of the work under NWPE, see his pre read.

## 8 TWGs

### 8.1 Future CCS technologies

The TWG will submit the final report to EC as input for the shaping of the H2020 Energy Work programme for 2018-2020. Vassilios Kougionas is asked to specify the information needed for this.

### 8.2 TWG ME5

Charles informed AC about the updated ToR and the progress of the work, see his presentation.

- The nordic countries (as a block) will be added to the list of target countries
- The report should make the point that the bottleneck is not the cost but the finance
- It may be difficult to model the transport and storage costs because of the really large volume flows that will require specific investment.

**DECISION: ZEP accepts the ToR for ME5 as presented**

### 8.3 T&S2

Tim presented the T&S report (see pre read) and again asked the ZEP members for participating in the TWG.

- Jonas reiterated that his contacts in Spain might be willing to cooperate but ZEP would have to take the initiative
- The T&S report is now sent to a limited set of people that should use the report in their work. Once ZEP gets a positive feed back from DG Regio the report can be disseminated and published for a broad group.

### 8.4 TWG ETS reform

Theo reported to ZEP on the work on the ETS reform: the innovation and modernization funds. The TWG is working on 2 papers for which it will ask approval during next weeks:

- the ZEP response to the ENVI draft report that was issued last week,
- the ZEP position on the Dutch ETS reform paper

## 9 ZEP finances

The ZEP finances are shown in the overview, part of the pre read.

- The overview shows that ZEP is on budget and will be able to maintain a positive cash position for Q2, provided that the ZEP industrial members and EC comply with the requested and agreed payments.
- With respect to the longer term the financial overview will be reviewed by Charles, Robert and Luke. They are asked to develop scenarios for 2016/2017 to be considered and approved by ACEC and AC.

## 10 ERG

Mark provided a summary of the progress of the work.

**DECISION: ZEP will have a General Assembly in 2016 on the condition of the capacity to fund it.**

## Annex I, actions and decisions

meeting	ID	what	description	status	owner
AC47 8Jun16	1	Action	ZEP shall write a letter to EC in which it asks and motivates the starting date of 1 August	pending	ZEP secretariat
AC47 8Jun16	2	Action	NWPE will write ToR for the ZEP TWG on PCI-work.	pending	NWPE
AC47 8Jun16	3	Decision	AC agrees the revised set of ZEP priorities for 2016/2017		
AC47 8Jun16	4	Decision	DECISIONS <ul style="list-style-type: none"> <li>• The proposal for transition to ETIP is adopted</li> <li>• The proposed modified bylaws are adopted, on the condition that the comments are taken into account. The revised bylaws will enter into operation when EC confirms the ETIP status of ZEP</li> </ul>		
AC47 8Jun16	5	Decision	ZEP accepts the ToR for ME5 as presented		
AC47 8Jun16	6	Decision	ZEP will have a General Assembly in 2016 on the condition of the capacity to fund it.		
AC47 8Jun16	7	Decision	Mr. Toulhoat is accepted as member of the ZEP Advisory Council		

## Annex II, attendees

Meeting name	Name	Surname	attended
AC47 8Jun16	Pierre	Toulhoat	Y, candidate
AC47 8Jun16	Tim	Bertels	Y, AC
AC47 8Jun16	Lamberto	Eldering	Y, AC, replaced Skalmeraas
AC47 8Jun16	Ward	Goldthorpe	Y, AC
AC47 8Jun16	R Stuart	Haszeldine	Y, AC
AC47 8Jun16	Jonas	Helseth	Y, AC, replaced Hauge
AC47 8Jun16	Gardiner	Hill	Y, AC
AC47 8Jun16	Emmanuel	Kakaras	Y, AC
AC47 8Jun16	François	Kalaydjian	Y, AC
AC47 8Jun16	Chris	Littlecott	Y, AC
AC47 8Jun16	Nils	Røkke	Y, AC
AC47 8Jun16	Charles	Soothill	Y, AC
AC47 8Jun16	Graeme	Sweeney	Y, AC
AC47 8Jun16	Rob	van der Meer	Y, AC
AC47 8Jun16	Marie	Bysveen	Y
AC47 8Jun16	Sònia	Clarena Barón	Y
AC47 8Jun16	Dominique	Copin	Y
AC47 8Jun16	Mark	Downes	Y
AC47 8Jun16	Joao	Duarte	Y
AC47 8Jun16	Masaki	Iijima	Y
AC47 8Jun16	Takahashi	Kamijo	Y
AC47 8Jun16	Theo	Mitchell	Y
AC47 8Jun16	Filip	Neele	Y
AC47 8Jun16	Ingvild	Ombudstvedt	Y
AC47 8Jun16	Robert	van der Lande	Y
AC47 8Jun16	Gert-Jan	van der Panne	Y
AC47 8Jun16	Maria	Velkova	Y
AC47 8Jun16	Luke	Warren	Y
AC47 8Jun16	Olav	Skalmeraas	N, replaced by Eldering
AC47 8Jun16	Elisa	Gastaldi	N
AC47 8Jun16	Peter	Radgen	N
AC47 8Jun16	Tony	Ripley	N
AC47 8Jun16	Michael	Schuetz	N
AC47 8Jun16	Owain	Tucker	N
AC47 8Jun16	Mart	van Bracht	N



AC47 8Jun16	Gerrit	van Tongeren	N
AC47 8Jun16	Ralf	Wezel	N