

**The European Commission's Green Paper
A 2030 framework for climate and energy
policies**

ZEP's response

July 2013

The 2030 Framework: Commitment, consistency and coordination

ZEP welcomes the Commission's timely launch of the debate on the post-2020 framework for EU climate and energy policies, but underlines the need for a holistic and coordinated approach. It moreover shows to the need to integrate input received to the consultative CCS Communication into the overall 2030 climate and energy framework to ensure policy coherence and efficiency.

The Zero Emissions Platform is pleased to see the continued commitment of the Commission to decarbonisation of the EU economy and set ambitious targets for 2030. The Green Paper's recognition of the need for long-term planning in this respect – keeping in mind long investment cycles of energy and other emission-intensive infrastructure, and investors' need for security in their long-term low-carbon investments – is a crucial prerequisite to the success and economic efficiency of the required decarbonisation.

Regarding the latter point on economic efficiency, the Green Paper's awareness of the incremental cost to Member States, consumers and businesses/industry entailed by large-scale low-carbon investments is equally appropriate in light of the economic malaise of the EU; now more than ever, it's critical that decarbonisation is done in an economically sound way to ensure public support and political momentum.

ZEP welcomes the references to the long-term roadmaps outlined by the European Commission for EU actions toward 2050, including the Energy Roadmap 2050, as important in showing how a 2030 EU climate milestone should be seen as such, namely a stepping stone on the route that leads to virtually full decarbonisation by 2050.

In this context, ZEP takes note that while several key findings are listed from the roadmaps mentioned, CCS is not mentioned. In light of the need for this technology – not only for the energy sector as outlined in the Energy Roadmap 2050 in clear terms, but not least in energy-intensive industries where in many cases no other routes for decarbonisation are available¹ – this seems an unfortunate omission. Without a timely large-scale demonstration and deployment of this technology as part of the low-carbon portfolio, most expert opinion agrees that decarbonisation is unlikely to be attained at the desired levels at reasonable cost.

ZEP recognises and welcomes the fact that together with this Green Paper, a CCS Communication was launched with a view to get input as to how CCS can be moved forward in Europe. ZEP has prepared its own input to this consultative Communication², yet in the context of this Green Paper, it would caution that the input to the CCS Communication should not be viewed or treated as a separate matter to the climate and energy framework. Instead, measures to promote CCS in the power industry as well as in other industries must be integrated to the largest possible extent in that framework, ensuring that inconsistent policies and/or conflicting measures are avoided. The need for such coherence is well recognised in the Green Paper's point 3.2.

Following this, future EU policies for decarbonisation should take into account the current level of demonstration and deployment of the various technologies which the Commission have outlined as key low-carbon technologies in its roadmapping efforts, and ensure that adequate support is put in place to make them commercially available.

For CCS, currently lacking a mandate in the form of a target like that for renewables – or implementing measures like those for energy efficiency – some form of directed support will be needed, along with an ambitious milestone which will provide a clear signal to investors that unabated fossil fuels will equal stranded assets.

According to the IEA's latest report, **more than two-thirds of current *proven* fossil-fuel reserves cannot be commercialised unless CCS is widely deployed.** Moreover, **the cost of energy sector decarbonisation in the case of delayed CCS deployment is expected to rise by a tremendous \$1 trillion globally³**, rendering political acceptance for stringent climate policies ever more difficult to attain.

¹ Ref. ZEP report Other Industries

² Ref ZEP response CCS Communication

³ IEA, 10th June 2013: Redrawing the Energy-Climate Map. Chapter 3: Managing Climate Risk to the Energy Sector. <http://www.worldenergyoutlook.org/media/weowebbsite/2013/energyclimatemap/RedrawingEnergyClimateMap.pdf>