

CCS-Directive and NER 300

State of play and road ahead

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CCS-Directive



★ **Principles:**

- ↪ legal framework for the environmentally safe geological storage of CO₂
- ↪ capture and transport regulated through amendments of existing legislation and at national level
- ↪ removes barriers to CCS in existing legislation
- ↪ Member States determine whether and where CCS will happen on their territory

★ **Key elements:**

- ↪ site selection and exploration
- ↪ storage permits
- ↪ CO₂ stream composition
- ↪ monitoring and reporting
- ↪ corrective measures
- ↪ closure and post-closure obligations
- ↪ transfer of responsibility
- ↪ financial security and financial contribution

★ **Transposition and implementation support:**

- ↪ Information Exchange Group (IEG) with MS
- ↪ Guidance documents
 - GD 1 - CO₂ Storage Life Cycle Risk Management Framework
 - GD 2 - Characterisation of the Storage Complex, CO₂ Stream Composition, Monitoring and Corrective Measures
 - GD 3 - Criteria for Transfer of Responsibility
 - GD 4 - Financial Security and Financial Mechanism
- ↪ Outreach activities

★ **Transposition and implementation – state of play:**

- ↪ Transposition deadline: 25 June 2011
- ↪ Infringement cases for non- or incomplete transposition launched in July 2011 against 25 MS, further case launched in November 2011
- ↪ Progress since: 7 cases closed on 26 January 2012 – majority of MS with planned CCS demonstration projects with complete transposition
- ↪ 19 ongoing cases for the time being

★ **Transposition and implementation – state of play:**

- ↳ Conformity checks of transposition legislation
- ↳ First MS implementation reports due since August 2011, basis to prepare COM report to Council and Parliament – about half of the reports received
- ↳ First permit review under Article 10 completed, Commission opinion adopted on 28 February 2012

http://ec.europa.eu/clima/news/articles/news_2012022901_en.htm

★ **Legal bases:**

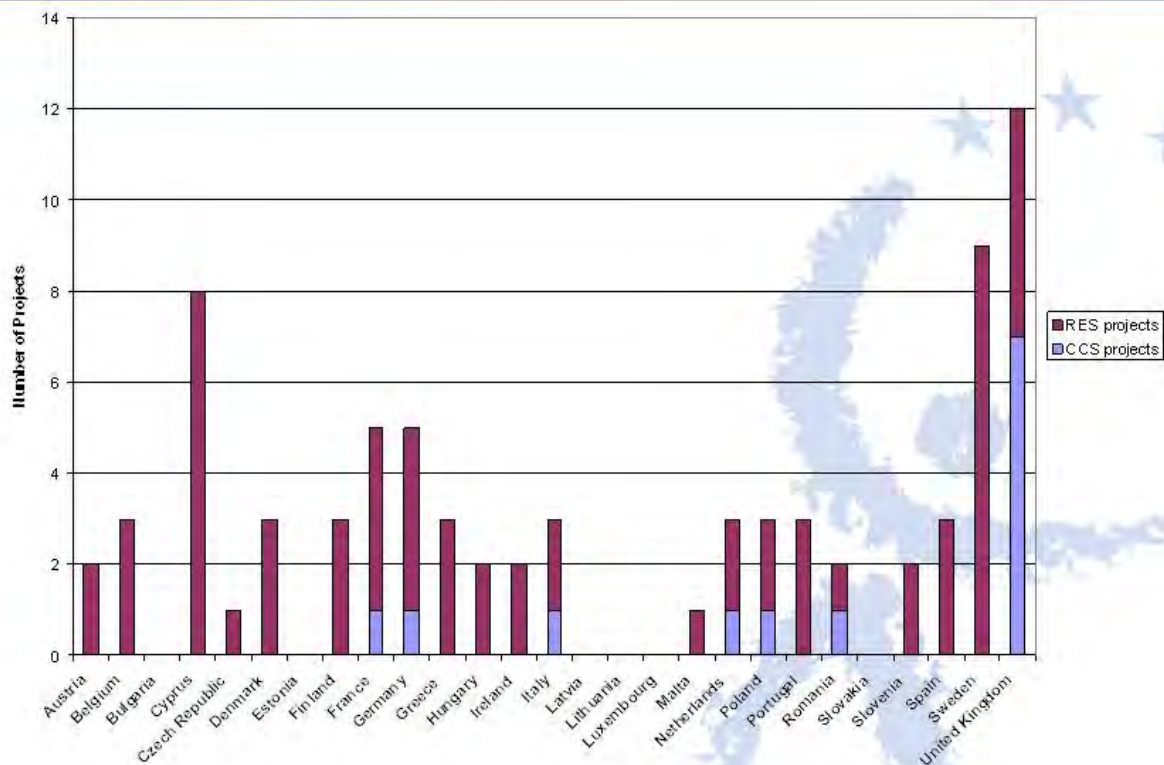
- ↪ Art. 10a(8) of the revised Emissions Trading Directive:
 - 300 million allowances reserved in new entrants reserve (NER) of EU-ETS for the financing of commercial-scale CCS and innovative RES demonstration projects until end 2015
- ↪ Commission Decision 2010/670/EU of 3 November 2010 setting out criteria procedures for the implementation of the programme
- ↪ Co-operation Agreement of 4 November 2010 between the Commission and the European Investment Bank (EIB)

★ **Principles:**

- ↪ 300 million allowances will be monetised and distributed through two rounds of Call for proposals (200/ 100 million allowances)
- ↪ Wide range of technologies: 8 CCS and 34 RES
- ↪ Geographically balanced: 1 to 3 projects per MS
- ↪ 50% of relevant costs will be funded, per project max. 15% of the total number of allowances
- ↪ NER 300 not part of EU budget
- ↪ Implementation at EU level with strong role for MS and with support from the EIB

★ **First Call for proposals:**

- ↳ Launched on 9 November 2010
- ↳ Project Sponsor phase completed on 9 Feb 2011
- ↳ MS had until 9 May 2011 to check eligibility of projects and submit those eligible projects they wish to support to EIB for further assessment
- ↳ EIB has completed its financial and technical due diligence assessments and has provided a list of projects ranked by their cost-per-unit performance to COM on 9 Feb 2012
- ↳ Award decisions envisaged by the end of 2012



Total number of CCS projects submitted on 9 May 2011	13
Power generation: pre-combustion	3
Power generation: post combustion	6
Power generation: oxyfuel	2
Industrial applications demonstrating CCS on refineries, cement kilns, in iron and steel or aluminium production	2

Total number of renewables projects submitted on 9 May 2011	66
Bioenergy	24
Concentrated solar power	9
Photovoltaics	4
Geothermal	3
Wind	15
Ocean	8
Distributed renewable management	3

★ **Steps to award decisions after 9 February 2012:**

- ↳ Competitiveness checks and eligibility verification
- ↳ Member States to pre-confirm national projects and co-funding
- ↳ Determination of funds and balancing
- ↳ Member States to definitely confirm national projects and co-funding
- ↳ Determination of final list of projects for award decisions, consultation CCC, award decisions

★ Risks and challenges

- ↪ Total amount of funds available: potential need to delete projects, funding gaps for individual projects
- ↪ MS confirmation of national projects and co-funding
- ↪ Operator contribution
- ↪ Final investment decisions, relevant national permits, State aid clearance Art 9 NER 300 Decision
- ↪ Public acceptance (CCS)

- ★ **CCS website:**
http://ec.europa.eu/clima/policies/lowcarbon/ccs_en.htm
- ★ **CCS mailbox:**
CLIMA-CCS-Directive@ec.europa.eu
- ★ **NER 300 website:**
http://ec.europa.eu/clima/funding/ner300/index_en.htm
- ★ **NER 300 mailbox:**
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