



THE PRINCE OF WALES'S
EU CORPORATE LEADERS GROUP



The Research Council
of Norway



Carbon Capture &
Storage Association



E3G

Brussels, 5th March 2013

Dear President Barroso; Vice-President Tajani; Commissioners Andor, Geoghegan-Quinn, Hedegaard and Oettinger,

CCS is currently at a critical stage in the European Union. CCS projects are progressing elsewhere in the world – notably in North America and Asia – however, the EU is currently lagging behind in the development of this crucial low-carbon technology. **The CCS Leadership Coalition, consisting of industry, NGOs and researchers therefore calls on the European Commission to take urgent policy action critical to put CCS back on track, in alignment with the EU's energy, climate and industrialisation objectives.**

The International Energy Agency (IEA) has repeatedly stated that a rapid roll-out of CCS is imperative to limit average global warming to 2°C by 2050, and notes that EU will operate with a higher cost base and thus be less competitive if it pursues a direction without CCS. Within the context of climate change and energy demand, Carbon Capture and Storage (CCS) is recognised as the **only** mitigation option for substantially reducing the CO₂ emissions from fossil fuels.

The necessity of CCS is also reflected in the European Commission's Energy Roadmap 2050, where it plays a crucial role for decarbonisation in all five elaborated scenarios:

"For all fossil fuels, CCS will have to be applied from around 2030 onwards in the power sector to reach the [EU] decarbonisation targets. CCS is also an important option for decarbonisation of several heavy industries and combined with biomass could deliver "carbon negative" values. The future of CCS crucially depends on public acceptance and adequate carbon prices; it needs to be sufficiently demonstrated on a large scale and investment in the technology ensured in this decade, and then deployed from 2020, to be feasible for widespread use by 2030."

This assessment remains valid, and sets out the timescale of the challenge facing the EU. For CCS to become a reality in Europe, it will require improved efforts to pull through significant and increasing investments in each of the areas of capture technology, CO₂ infrastructure and geological storage capabilities between now and 2030. The EU has a critical role to play in catalysing and coordinating such actions, as was intended for the NER300 programme.

The window of opportunity has not yet closed for the EU to maintain its global technology leadership in CCS, but the time to act is now. Recent experience in the USA and Canada shows that rapid progress can be made. China, too, is rapidly developing CCS technology and pursuing low-cost, high-value projects to jumpstart its CCS sector. In Europe, CCS can provide significant value to the European economy, offering job creation and retention, reindustrialisation, and reduced energy system costs. As well as technology, CCS is about domestic skills and capabilities; it is about deploying domestic resources across Europe. Urgent action is needed now to ensure we grow the skills, manufacturing and deployment capabilities here in Europe.

CCS alongside other low carbon technologies, complementary policies and market mechanisms, including a well-functioning ETS, is an important part of the solution to meet our climate and low carbon energy goals. Renewed efforts are therefore required now to stimulate a domestic CCS market for both the power sector and industrial emitters.

We call on the Commission to immediately come forward with an ambitious CCS Communication, which strongly reiterates the European Commission's commitment to support the development and deployment of CCS in Europe. This CCS Communication should also open an inclusive dialogue with all stakeholders.

We are looking forward to actively contributing to this dialogue and of course would be delighted to discuss the content of this letter in further detail at your earliest convenience.

Yours faithfully,

Alstom, The Bellona Foundation, The Carbon Capture and Storage Association, Third Generation Environmentalism, The Prince of Wales's Corporate Leaders Group on Climate Change, The Research Council of Norway, Shell and SINTEF.