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MOTION FOR A RESOLUTION

pursuant to Rule 88(2) and (4)(b) of the Rules of Procedure by Claude Turmes, Bas Eickhout, Rebecca Harms, Sandrine Béliet, Reinhard Bütikofer, Yannick Jadot, Michèle Rivasi, Staes Bart, and Michail Tremopoulos

on behalf of the Greens/EFA Group

on the draft Commission decision laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council

Committee on the Environment, Public Health and Food Safety

European Parliament resolution on the draft Commission decision laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council

The European Parliament,

- having regard to Directive 2003/87/EC of the European Parliament and of the Council¹ of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC², and in particular the third subparagraph of Article 10a(8) thereof,
 - having regard to the draft Commission decision laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council,
 - having regard to the vote of 2nd February 2010 of the committee instituted by Article 8 of Decision 93/389/EEC, and referred to in Article 23 of the Directive,
 - having regard to Article 5a(3)(b) of Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission³,
 - having regard to Rule 88(2) and (4)(b) of its Rules of Procedure,
- A. whereas, according to Article 10a (8) of the Directive "(u)p to 300 million allowances in the new entrants' reserve shall be available until 31 December 2015"; whereas, the deadline of 31st December 2015 has been set in view of the urgency of the battle against climate change, and to be in line with science, that global GHG should peak by 2015, and start declining thereafter; whereas the draft Commission decision provides for two rounds of calls for proposals, of which only the first one respects the deadline of 31st December 2015, and only to require projects to demonstrate their entry into operation by that date as "realistic", not real (Annex I- point B),
- B. Whereas the aim of the Emissions Trading System, as stated in Article 1 of Directive 2003/87/EC as amended by Directive 2009/29/EC is to *promote reductions of greenhouse gas emissions in a cost-effective and economically efficient manner*; whereas CCS

¹ OJ L 275, 25.10.2003, p. 32.

² OJ L 275, 25.10.2003, p. 32.

³ OJ L 184, 17.7.1999, p. 23.

remains one of the most expensive technologies for reducing GHG emissions,

- C. Whereas, CCS and innovative renewable technologies constitute, according to the text of the Commission draft decision, two clearly distinguished groups, yet the proportion of the funds going to each of these two groups is nowhere established,
- D. whereas, under today's carbon price, the total sum available under the NER300 would amount to €4-4,5 billion euros; whereas the complicated interplay between operating aid and NER300 money in the 34 categories of renewable projects does not allow for any accurate estimates of the relevant costs, while CCS plant-relevant costs are estimated at 1bn€/plant, which brings the CCS group to a potential demand for at least 4bn€ (at least 8 projects, 50% of relevant costs); whereas, depending on the Commission interpretation of the notion of "avoided costs", this projected amount for CCS projects could be even higher,
- E. Whereas, the draft Commission decision talks of "maintaining the balance between CCS and RES demonstration projects" (Recital 11) and provides that, if the proposed projects account for a greater sum of money than the 300 million allowances can provide for, the COM will have to cut projects "in the same proportion", yet there is no proportional nor balanced relation struck in the text between CCS and innovative renewable technologies,
- F. Whereas, if the total relevant costs for the RES group are lower, as it is likely, a "proportional" cut will lead to the RES group funding being lower than the CCS group funding; whereas the RES group includes many small-scale projects and is already encountering problems ensuring bank guarantees; is therefore already put in a disadvantage in the Commission selection procedures,
- G. Whereas, under the EU recovery plan CCS received the double of the amount devoted to renewable energy (€1,05 billion euros from the EU recovery plan, as against €565 million euros for offshore wind),
- H. whereas the EU has set itself binding targets for renewable energy,
- I. whereas coal subsidies in the EU should finalise end of 2010, when the Regulation 1407/2002 on State aid to the coal industry expires; whereas the G-20 Pittsburgh Declaration of 24-25 September 2009 calls for phasing out of fossil fuel subsidies,
- J. whereas the Directive imposes a requirement for demonstration to be carried out in "geographically balanced locations"; whereas only the renewable projects group is expected to fulfil this requirement,
- K. Whereas the Commission decision contains no clear requirement for the capture rate applicable to any single installation, stating simply that "(t)he capture rate has to be at least 85% of CO₂ from the flue gases to which capture is applied;" whereas the lack of definition as to what part of the emissions from the financed new-built demonstration plants should be captured and stored, leaves the climate benefit of the NER300 funding for CCS to be seriously questioned,
- L. Whereas knowledge-sharing requirements under Annex II of the draft decision remain

extremely weak and vague, against the spirit of the Directive, including on environmental and health safety issues,

- M. Whereas no mention is being made of the recently adopted CCS Directive (Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006) and its requirements, which aim to ensure the "environmentally safe" nature of CCS, as required by Article 8(10a) of the Directive,
1. Opposes adoption of the draft Commission decision laying down criteria and measures for the financing of commercial demonstration projects that aim at the environmentally safe capture and geological storage of CO₂ as well as demonstration projects of innovative renewable energy technologies under the scheme for greenhouse gas emission allowance trading within the Community established by Directive 2003/87/EC of the European Parliament and of the Council;
 2. Considers that the draft Commission decision is not compatible with the aim and content of the above directive;
 3. Instructs its President to forward this resolution to the Council and the Commission, and to the governments and parliaments of the Member States.