

EUROPEAN PARLIAMENT

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Committee on the Environment, Public Health and Food Safety

2008/2140(INI)

9.10.2008

OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Industry, Research and Energy

on Supporting Early Demonstration of Sustainable Power Generation from
Fossil Fuels
(2008/2140(INI))

Rapporteur (*): Gyula Hegyi

(*): Associated committees - Rule 47 of the Rules of Procedure

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SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Underlines that the aim of European climate policies should be the worldwide reduction of greenhouse gas emissions;
2. Recalls the 2005 Special Report on Carbon Dioxide Capture and Storage (CCS) by the Intergovernmental Panel on Climate Change (IPCC) which identified CCS as a promising technology for the rapid reduction of global greenhouse gas emissions, with the potential to achieve a reduction of up to 55% by 2100;
3. Recalls that most forecasts project that primary energy supply will continue to be dominated by fossil fuels until at least the middle of the century and that therefore CCS is a complementary technology for achieving the required CO₂ emission reductions by 2050 along with progress in energy efficiency and the development of renewable energies;
4. Recalls the commitment by the European Council of 8 and 9 March 2007 to stimulate the construction and operation by 2015 of up to 12 demonstration plants of sustainable fossil fuel technologies in commercial power generation;
5. Considers that although CCS is an end-of-pipe technology, it can form part of European climate policies under the condition that safety and environmental integrity can be guaranteed throughout the chain; stresses, however, that it should not lead to a decrease in energy efficiency measures and renewable energy investments;
6. Stresses that binding, strict criteria should be set for the long term safety and permanence of storage sites;
7. Stresses that early CCS demonstration at industrial scale in the EU is critical to bringing environmentally safe CCS to wide commercial deployment from 2020 worldwide;
8. Considers that storage under the seabed can, in case of accident, endanger the marine ecosystems;
9. Considers that, due to its high technical and financial costs, CCS may contribute to an energy structure with a few very large power plants, although small decentralised plants with cogeneration are better suited to reaching a 20 per cent growth in energy efficiency in Europe;
10. Considers that CCS reduces the efficiency of power plants;
11. Considers it both rational and essential for wider use to be made in the coal-based energy sector of the latest low-emission coal-burning technologies, which ensure highly efficient energy production and have a significantly lower impact on the environment;

12. Underlines that increasing coal combustion will lead to further air pollution, including sulphur dioxide (SO₂), nitrogen oxides (NO_x), carbon monoxide (CO), dust and mercury emissions;
13. Points out that there is no existing Best Available Technique (BAT) Reference Document (BREF) on CCS, under the Integrated Pollution Prevention and Control (IPPC) Directive; stresses, therefore, that before 2015 a horizontal BREF will need to be presented on CCS;
14. Considers that the use of CCS should be a result of competition with other carbon control means under the agreed caps of GHG emissions, and that CCS should not be subsidised; believes that CCS installations should be financed by the power sector whenever it is the most feasible solution to reduce CO₂ emissions;
15. Considers that CCS is an energy technology driven by the need to combat climate change and that its economic viability is entirely dependent on the CO₂ price; believes that the EU Emissions Trading Scheme (ETS) is therefore a suitable instrument for establishing a transitional Project Demonstration Mechanism providing the necessary incentives to allow early investment in the CCS demonstration programme;
16. Proposes that the EU ETS Directive establish a reserve of up to 500 million allowances to be awarded to large-scale commercial demonstration projects that are undertaking the capture and geological storage of carbon dioxide in the territory of the EU;
17. Calls on the Commission to bring forward the necessary legislative proposals to establish the procedures for the identification and approval of the demonstration projects, and the award of allowances to demonstration projects taking into consideration the following criteria:
 - ensuring the development of a wide range of CCS technologies at best value cost and in geographically balanced locations across the EU;
 - allowances should be awarded against the verified geological storage of CO₂;
 - a higher incentive should be provided for earlier movers and for the more complex technology, and/or transport and storage configurations;
 - ensuring that demonstration projects balance the need for cost recovery and avoid the risk of windfall profits, exploring the potential intermediary role of the European Investment Bank in this area;
 - the operation of the project demonstration mechanism should be limited in time and volume so as not to provide a long-term support for the industry.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	7.10.2008
Result of final vote	+: 39 -: 10 0: 4
Members present for the final vote	Adamos Adamou, Margrete Auken, Liam Aylward, Pilar Ayuso, Irena Belohorská, Johannes Blokland, John Bowis, Frieda Brepoels, Hiltrud Breyer, Martin Callanan, Magor Imre Csibi, Avril Doyle, Mojca Drčar Murko, Jill Evans, Anne Ferreira, Elisabetta Gardini, Matthias Groote, Satu Hassi, Gyula Hegyi, Jens Holm, Marie Anne Isler Béguin, Christa Klaß, Eija-Riitta Korhola, Urszula Krupa, Peter Liese, Jules Maaten, Marios Matsakis, Linda McAvan, Roberto Musacchio, Riitta Myller, Péter Olajos, Miroslav Ouzký, Vladko Todorov Panayotov, Vittorio Prodi, Frédérique Ries, Guido Sacconi, Daciana Octavia Sârbu, Amalia Sartori, Richard Seeber, Bogusław Sonik, María Sornosa Martínez, Salvatore Tatarella, Antonios Trakatellis, Evangelia Tzampazi, Thomas Ulmer, Anja Weisgerber, Åsa Westlund, Glenis Willmott
Substitute(s) present for the final vote	Iles Braghetto, Bairbre de Brún, Caroline Lucas, Miroslav Mikolášik
Substitute(s) under Rule 178(2) present for the final vote	Dieter-Lebrecht Koch