

Dr. Graeme Sweeney speech draft for CCS EII launch (June 3, 2010 - Madrid, Spain)

EU Commissioners,
Ministers,
Ladies and Gentlemen:

I'm honoured to be here with you as we mark the launch of a number of European Industrial Initiatives destined to expedite the development and large-scale deployment of low carbon technologies throughout the European Union.

As the industrial representative of the EII on Carbon Capture and Storage and chairman of the Zero Emissions Platform, I'm speaking on behalf of a diverse group of stakeholders who have worked tirelessly with the Commission and Member States to ensure that CCS can become a commercial technology in the EU by 2020 - on the way toward widespread deployment.

For let us be clear: CCS is essential if the EU and the world intend to meet their drastic emissions reductions targets in time to avoid irreversible climate change. If, as projected, we have 80-120 commercial CCS projects in Europe by 2030, then they could prevent some 400 million tonnes of CO₂ from entering the atmosphere every year. Meanwhile, the IEA has stated that CCS must deliver one fifth of the total greenhouse gas emissions reductions we must achieve by 2050. The carbon abatement potential of CCS is immense.

The EU was quick to recognise this potential. In just two years, it moved from calling for a CCS demonstration programme to defining the funding sources available, laying the legal framework for CO₂ storage and creating a CCS project network. And the members of the Zero Emissions Platform were instrumental in helping shape the EU demonstration programme: from the proposal for such a programme, through key recommendations on funding and unprecedented work on knowledge-sharing to the R&D requirements for deploying CCS beyond 2020.

This same collective approach indeed marks the Strategic Energy Technology Plan, with its focus on R&D, as well as demonstration and implementation, and much-needed large scale programmes. The CCS EII marks a tangible step forward in ensuring that we "learn by doing" in order to deliver on the two key objectives: the cost competitive deployment of CCS after 2020 and the further development of the technologies for application beyond the power sector.

How do we deliver on the strategic objectives of the CCS EII? We will need to:

- execute a successful CCS demonstration programme in the run-up to widespread deployment

- secure adequate funding for demonstration projects as well as the R&D that will deliver more efficient and cheaper CCS technology
- and that the EU's firm support of CCS is supported at Member State level

A successful and comprehensive CCS demonstration programme will require an optimised portfolio across projects, locations and technologies. We need CCS demonstration projects that cover *all* the technology options - capture *and* storage; transport by ship *and* pipeline; storage on- *and* offshore; with both the power *and* industrial sectors represented. This will ensure that the technology can be validated; the costs lowered and public awareness - and support - increased.

CCS will necessitate financial support like many other low- and zero-carbon technologies. While McKinsey & Co. estimated that 10 to 12 CCS demonstration projects require 7 to 12 billion euros in public funding, industry intends to invest well over 11 billion euros in CCS-equipped power-plants by 2015. This is unequivocal evidence of industry's firm commitment to CCS.

And while CCS R&D priorities from 2012 to 2020 are currently estimated at €1.9 billion, with additional CCS R&D costs currently unknown, secured financing to date is insufficient at just 395 million euros. Though industry are willing to co-finance priority R&D projects, Member States will be key in bridging the remainder of the financing gap.

Time is of the essence in order to ensure that we realize the full potential of CCS. It will be important that Member States implement the EU CO2 Storage Directive this year in order to enable industry to realize the financing timelines for project developers. The EU has ambitions to meet a 2015 deadline, to launch the first CCS demonstration projects. We can do this but we all need to swiftly implement the actions that are our responsibility.

The industrial stakeholders of the CCS EII believe the innovative and collaborative model of the SET and the EIIs sets a new standard for the rapid and decisive roll-out of low-carbon technologies in the EU. With close cooperation between industry, the Commission, Member States and EERA - and clarity over the responsibilities of each - we can ensure that the potential of CCS is fully realised. Not just in the EU, but across the globe.

Thank you for your attention.

- ENDIT -