

EU Climate and Energy Package Carbon Capture and Storage (CCS)

WKO Position

General remarks

1. Setting climate or energy policy targets must not weaken the competitiveness of European companies nor the attractiveness of the EU as a production location in comparison with the rest of the world. The EU must therefore work towards a global climate agreement with adequate obligations of relevant industrial, emerging and developing countries. In this respect the Union's autonomous GHG reduction target of 20% compared to 1990 already appears very ambitious.
2. To meet these ambitious targets cost-efficiently the EU has to use a multitude of abatement techniques. These measures should include enhanced energy efficiency, an increase in renewable energy sources and Carbon Capture and Storage.
3. Existing energy forecasts and scenarios¹ do include fossil fuel combustion with a significant share for future energy production. To meet ambitious GHG emission targets despite these forecasts, techniques like CCS, decoupling GHG emissions from fossil fuel combustion, have to be promoted and implemented. Therefore we support the effort of the European Union to promote R&D and the implementation of demonstration plants running CCS.

Carbon Capture and Storage

4. Carbon Capture and Storage should contribute significantly to the fulfilment of the EU emission reduction target. The possibility to use CCS to meet obligations must not be overly restricted in order to allow for a stable CO₂ price. Therefore we urgently propose the acceptance of CCS within the ETS trading scheme. CCS installations, pipelines and storage sites should not be excluded from the allocation of free certificates.
5. In areas under EU competence it is also for the EU to take appropriate measures to achieve the desired emission reductions. We support a sound and lean common European management and regulatory framework for CCS - keeping in mind that the implementation of CCS depends on a common European market. Therefore we do need harmonised EU rules for financial provisions and risk management regarding CCS and a common definition of constraints regarding the composition of a CO₂ stream. The definite decision on permits for the implementation of specific projects should nevertheless be left to the Member States on a one-stop-shop basis.