

Brussels, 22 September 2008

Commissioner Piebalgs welcomes McKinsey CCS report as a valuable input in the Carbon Capture and Storage debate

Energy Commissioner, Andris Piebalgs, welcomed today the report "CCS: Assessing the Economics" which was presented to him today by its authors, McKinsey & Company. "Early effective demonstration of technological viability of Carbon Capture and Storage (CCS) in power generation, both in Europe and internationally, is essential to move rapidly to economically viable, near free carbon electricity generation. This report is a valuable contribution to the discussions currently ongoing to find the best way to push this technology forward", said Commissioner Piebalgs after the presentation.

As part of its January 2008 climate and energy package, to stimulate development of CCS in Europe, the Commission proposed an enabling regulatory framework which could incorporate a link to the Emissions Trading Scheme (ETS) for demonstration funding purposes. The revised Community guidelines on state aid for environmental protection take a favourable view on CCS and indicate the legal grounds on which CCS demonstration projects can benefit from state aid. The Commission will, in the second half of 2008 propose a revision of TEN-E guidelines to encompass CO₂ infrastructure.

In the framework of the SET Plan, the Commission proposes to launch a European Industrial Initiative on CCS as a base for the coordination, transparency and visibility of demonstration projects. This way, EU will take lead in large-scale demonstration world-wide and will maximize the benefits of early demonstration.

The report "CCS: Assessing the Economics" was presented to Commissioner Piebalgs by McKinsey Senior Partner, Tomas Nauc ler, in the presence of the CEO of Vattenfal and President of Eurelectric, Lars Josefsson, the CEO of European Climate Foundation, Jules Kortenhorst, the CEO of RWE Power AG, Johannes Lambertz, the Senior Vice-President of Alstom, Joan McNaughton, the Senior Vice-President of Shell, Michiel Mak and the Senior Vice-President of Enel - Simone Mori.