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**COMMUNICATION DE LA COMMISSION AU PARLEMENT EUROPEEN, AU
CONSEIL, AU COMITE ECONOMIQUE ET SOCIAL EUROPEEN ET AU COMITE
DES REGIONS**

**APPUI A LA DEMONSTRATION PRECOCE DE LA PRODUCTION
D'ELECTRICITE DURABLE A PARTIR DES COMBUSTIBLES FOSSILES**

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Brussels, 29 October 2007
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Opinion

Title **Impact Assessment on a Commission Communication Supporting Early Demonstration of Sustainable Power Generation from Fossil Fuels**

(draft version of 5 October 2007)

Lead DG **DG TREN**

1) Impact Assessment Board Opinion

(A) Context

The present Impact Assessment relates to the forthcoming Commission Communication on supporting early demonstration of sustainable power generation from fossil fuels. Building on former or parallel impact assessments in the context of the January 2007 Energy and Climate package and the forthcoming follow-up package, the report starts from the objective to further develop Carbon dioxide Capture and Storage (CCS) as a CO₂ mitigation technique, and focuses on the coordinated and timely demonstration of CCS technologies in large scale power generation by 2020 to cover the various combinations of CO₂ capture technologies, storage sites and geographical locations.

(B) Positive aspects

The IA explains well the importance of an early co-ordination at EC level for the development of CCS technology in Europe and avoiding dependency on technology imports.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG.

General recommendation:

The report should provide a more straightforward linkage between the set of options and their expected impacts. The scope of the options should be enlarged, on the one hand to alternatives for the short-term demonstration phase, and on the

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other hand to the consecutive steps that would need to be taken to ensure wide uptake of the CCS technology. These comments have been agreed by the lead DG in the written correspondence, and concrete suggestions for improvement have already been formulated.

(1) The business-as-usual scenario (corresponding to option 0) should be described in more precise terms, highlighting the projects that are most likely to take off and receive public support from the respective Member States, and show the weaknesses of such a scenario in terms of uneven development of technology at Member State level. The potential effects of depending on third countries' CCS technology should be balanced with the potential earlier deployment of CCS plants.

(2) The actual contribution of the co-ordination mechanisms foreseen under Option 1 should be clarified. In particular, the criteria for establishing a short list of projects and the feasibility of this process should be better described. The report should be more specific on how to address the problem of the lack of profitability of the projects (e.g. explaining how resources of Member States would be leveraged). Similarly, since the specific and operational objectives are to ensure that the CCS demonstration projects are operational by 2015 so that reliable conclusions can be drawn by 2020, the report should be more specific on the timeline for project selection, planning and implementation.

(3) As options 1&2 can be seen as not mutually exclusive but rather time-complementary, the report should consider an alternative set of options. One possibility could be to define alternative mechanisms and criteria to be developed under Option 1, another would be to focus on the consecutive steps that would need to be taken to ensure wide uptake of the CCS technology, i.e. what actions will be necessary between the demonstration phase and broad deployment.

(4) The articulation of the present proposal with the Strategic Energy Technology Plan should be described.

(5) The social and employment impacts are likely to be very limited thanks to the scale of the CCS demonstration projects. This should be clearly stated in the IA, perhaps with a reference to the IA prepared for the January 2007 Communication on fossil fuels.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with.

2) IAB scrutiny process

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External expertise used	No
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