

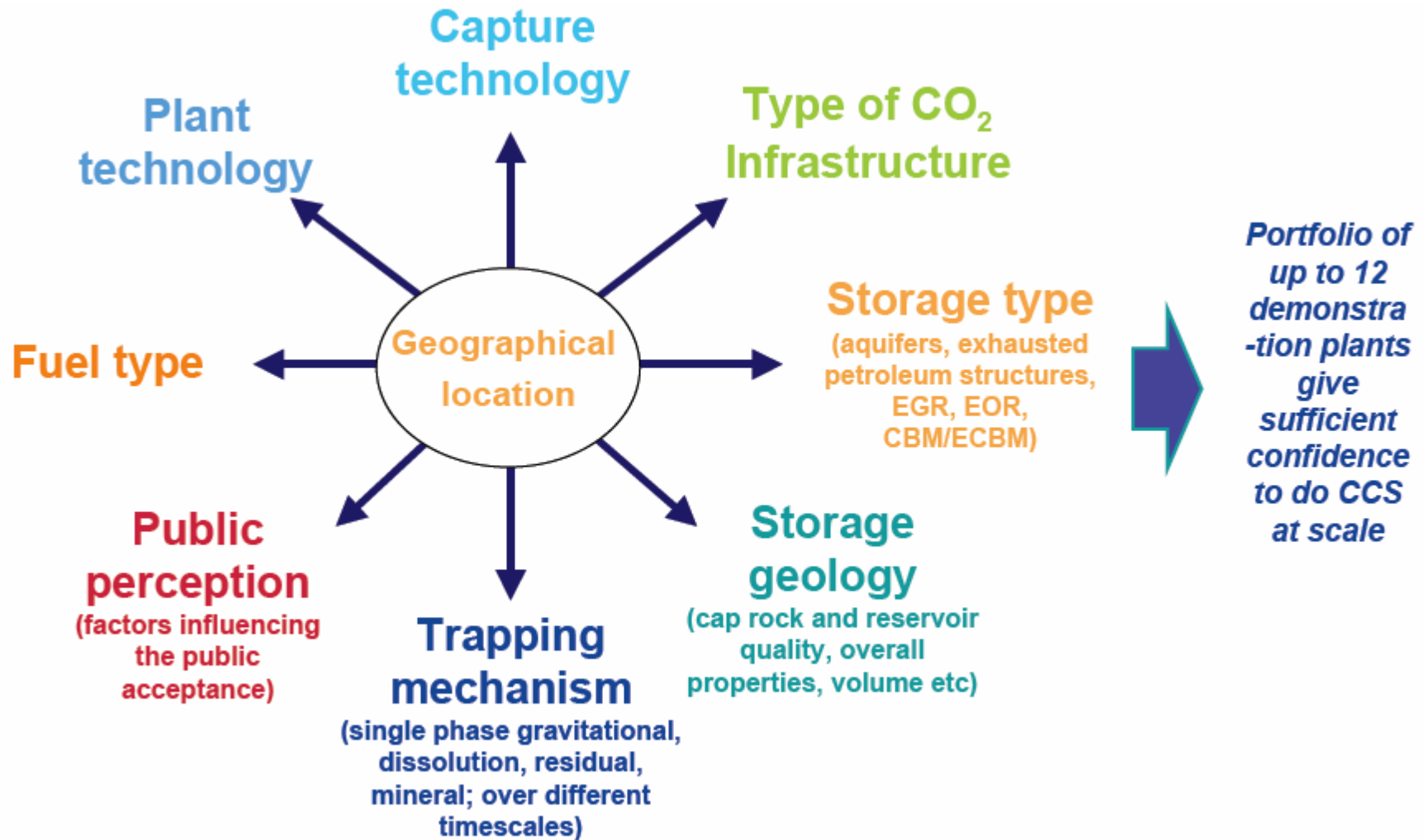


# **Commission White paper: Supporting early demonstration of sustainable power generation from fossil fuels**

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# Why Flagship Programme?



# “How to jump start CCS”

Key hurdles to CCS demos at present:

- Regulatory framework
- Completion of technology development (especially for capture)
- Size of each investment
- Increased operating costs
- Missing CO<sub>2</sub> infrastructure

# EU Network of CCS Demonstration Projects

- Member States encouraged to support demonstrations through implementation of incentive measures or providing grants
- Creating a project network as a support action under FP7
  - Coordination, common identity (*European logo*)
  - Exchange of information
  - Collective actions: public acceptance, third countries
  - Selection of projects, information and experience exchange
  - Fast track to State Aid (!)

# Financing of CCS demos

Commitment to address higher costs

- SET Plan: Financial instrument 2008
- A possible *European Industrial Initiative*
- Complementary to ETS (ETS+)  
Feed in tariffs
- Decarbonised electricity certificates
- Community budget review
- Regional and structural aid programmes
- EEA Financial Mechanism

### **Main messages:**

- ***”Without bold funding decisions by the companies at the earliest opportunity, complementary public funding may not be triggered”***
- ***”Public funding would have to come primarily from Member States”***

### **Way Forward:**

- ***Energy Ministers***
- ***Spring Council***
- ***Informal Ministerial meeting of Energy and Environment Ministers***