

## Information Exchange Group (IEG) under the CCS Directive (Directive 2009/31/EC, Art. 27.2)

## Report

On 14 December 2022, the European Commission services organized an online meeting of the Information Exchange Group (IEG) under the CCS Directive (Directive 2009/31/EC, Art. 27.2), bringing together the Competent Authorities from Member States and the EEA countries. The objective of the meeting was an exchange of information on recent development in the Member States and on the part of the Commission, in particular regarding:

- The next National Energy and Climate Plans (NECP): for which the Commission has requested a dedicated thematic chapter on geological storage of CO<sub>2</sub> which should be based in particular on the needs for CO<sub>2</sub> capture in hard-to-abate industrial sectors, but also ongoing or planned biogenic and direct air capture projects, in relation to the foreseen storage capacities.
- The **2023 Implementation Report of the CCS Directive**: where the Commission has provided Member States with an outline for the national implementation reports on the CCS Directive, which are requested by the end of April 2023.
- The upcoming **review of the Guidance Documents of the CCS Directive**: where in 2023 the Commission will rely on essential inputs of Member States Competent Authorities to ensure that the revised Guidance Documents will provide the best possible support for operators and Competent Authorities in view of the state of the art in the sector. The Commission will be supported by DNV Netherlands B.V. which presented the process that will be used to gather input from stakeholders, including Member States (<sup>1</sup>).

<sup>(&</sup>lt;sup>1</sup>) See: <u>http://ccsguidanceupdate.dnv.com</u>

In the first part of the meeting, Denmark and the Netherlands shared their experiences with identifying storage sites, the tender processes and granting storage permits with the group.

- Denmark described the several steps taken for identifying storage sites: a geological subsoil survey, the establishment of a reference group with potential storage operators, and citizens' engagement. The Danish representatives particularly emphasised the importance of dialogue with citizens, municipalities and regions for onshore as well as near-shore (i.e. visible from the coast) storage projects. It was pointed out that the vast majority of relevant municipalities are showing interest in taking projects forward, including in the context of related regional economic developments.
- In addition, the individual steps in the Danish tendering process for on-, near-, and offshore storage sites were explained. This process foresees first a tender, such as the current tender on offshore investigation licenses. Pending a successful investigation and completion of a binding work programme that is issued with the license, an investigation license can be extended as a storage license [i.e. a storage permit in accordance with Art. 3 (11) of Directive 2009/31/EC]. In order to obtain such an extension a development plan with binding milestones and a decommissioning plan has to be approved by the authorities.

The Commission welcomed the early consultation of concerned citizens and suggested having a dedicated agenda point on citizen dialogue in one of the upcoming meetings of the IEG.

- The Netherlands described in detail their experience with assessing and granting storage permits in depleted gas fields, combined with suggestions for improvements. The Dutch representatives pointed out that in her view a certain learning curve for storage applicants can be expected, resulting from an underestimation of the rigorous reviewing process required by the Directive. Some of the problems were caused by lacking level of detail of applications, due to insufficient information available for the applicant at the time of submission.
- Another important aspect concerns the expectations of commercial operators, namely to base their Final Investment Decisions (FID) on having a relevant permit in place. This collides with the need of permitting authorities to have firm commitments from applicants before issuing a storage permit, which companies would ordinarily only make after being granted a permit. Also the fact that the ownership of storage sites might change after the permit is granted needs to be foreseen. Early contact between applicants and competent authorities as well as a possible two-step process with first a licence to develop a particular area, before applying for a storage permit can help. The process is work intensive on both sides and the competent authority has a team of 20 colleagues.

The Commission appreciated the fact that the Dutch authorities asks the applicant to also provide the application in English as very welcome, as this accelerates the process and minimises misunderstandings.

During the tour de table, Member States updated the group on CCS relevant developments, including the work on a national CCS strategy (FR), a legal framework for the

transportation of  $CO_2$  (BE), ongoing and expected storage applications (FR, NL, IS, NO), as well as awarded storage permits (NO) and CCS related support schemes (NL).

In addition, the Commission informed about the conclusions of the 2022 CCUS Forum plenary meeting in Oslo, recalling the results of the three stakeholder working groups (on a vision for the future development of CCUS, on infrastructure and on industrial partnership). These results will inform the Commission's work towards a Communication on a strategic vision for the CCUS sector in  $2023(^2)$ , for which also a public consultation is foreseen to be launched in Q1/2023. In this context, the Commission's Joint Research Centre (JRC) presented their work to update the trans-European CO<sub>2</sub> transport network study, with the purpose to identify the cost-optimal match of CO<sub>2</sub> sources with CO2 sinks and for which the JRC welcomes updated data from Member States.

The Commission services concluded the meeting by underlining that in 2023 a number of important activities on CCUS are foreseen on the EU level, for which MS inputs and lessons learned are important. The Commission is ready to organise dedicated IEG meetings on relevant topics, for example on the update of the CCS Guidance Documents.

Participants:

- Member States Representatives
- Commission services, EFTA secretariat.
- DNV Netherlands B.V. only for the agenda point on the Review of the CCS Guidance Documents.

<sup>(2) &</sup>lt;u>https://ec.europa.eu/commission/presscorner/detail/en/SPEECH\_22\_6424</u>