

## **EPPSA Response to European Commission Stakeholder Consultation**

### **Knowledge Sharing on CCS Demonstration**

#### **NER300**

Directorate General for Climate Action

27 August 2010

#### **Preamble**

EPPSA members, who are developing the CO<sub>2</sub> capture technology, welcome the European Commission's initiative to consult relevant stakeholders on knowledge sharing requirements that may be taken into consideration when formulating the call for proposals under the NER300.

EPPSA commends the European Institutions for the work and progress achieved up to this point and welcomes the opportunity to provide feedback in a constructive dialogue with the institutions concerned.

This paper uses commonly agreed stipulations of the

- Call for proposals on the European Energy Plan for Recovery (EEPR), as well as
- EPPSA /EUTurbines joint position paper on *Knowledge Sharing in the Framework of CCS Demonstration*, from 28 April 2009

As a general remark, it must be noted that European industry is competing with Asian and American companies in order to timely deliver the necessary CO<sub>2</sub> capture technology to avoid, following the latest Intergovernmental Panel on Climate Change (IPCC) conclusions, greater damage to the environment by higher CO<sub>2</sub> concentrations. This global competition, where European companies invested already significant amounts of money and manpower, must not be biased by an outsized, self-imposed and ineffective European sharing of confidential information. European technology must be made available worldwide, but incentives to develop second and third generations of more efficient CCS technology must endure.

It would neither help the European industry, nor the European Union, if the NER300 knowledge sharing conditions were defined in such a way that European industry would not be able to participate in the NER300 call without losing its competitive advantage compared to other regions. Doubts would persist in whether the European industry would be able at all to participate in the NER300 call for proposals, if this disadvantage materialises in the imposed knowledge sharing conditions.

#### **1. General**

Project promoters shall formulate a binding declaration whereby the generic knowledge gained through a demonstration plant will be made available to the wider industry and to the Commission.

All projects are expected to join the European CCS Demonstration Project Network, which has been set up by the Commission, and share experience and non-proprietary knowledge obtained through demonstration within the Network.

When administered properly, knowledge sharing can generate significant public benefit by early adoption of best practices, avoiding the usual and slower “trial and error” market learning. Thus an efficient knowledge sharing will considerably speed up the implementation of CCS and contribute to the SET plan for Europe. Knowledge sharing has to focus on this target while Intellectual Property (IP) rights are accepted to allow technology owners to define and protect their IP assets.

## **2. Eligibility of proposals**

Proposals under this call shall be eligible for funding only if they fulfil the following conditions:

### **2.1 Scale of knowledge sharing**

The applicant shall commit to share knowledge with stakeholders and Commission as follows:

Knowledge to share consists of

- An organised exchange of “data,” resulting from actual operation of a specific process, in a given set of operating conditions, addressing the need for early dispersion of performance information.
- An informal exchange of ideas, experience and perspectives associated with the design, construction and operation of the new systems and components of the CCS processes.

In detail knowledge sharing shall comprise:

- A. Widely shared data as
  - Environmental safety and health data as well as data related to public acceptance
  - Best practices and data relating to overall system performance and development of CCS related regulation
- B. Description and publication of global operational data – including data relating to the interaction and performance of technology blocks
- C. Shared cost information shall extend to the aggregate investment and operating cost of the CCS installation. Under conditions to be defined it may include overall investment and operating costs of some or all of the technology blocks being demonstrated.

### **2.2 Deployment of CCS technologies**

The applicant shall commit to deploy the CCS technology to European and emerging countries to achieve the earliest possible deployment of CCS. Organising published patents application and granted patents in a comprehensive database should help the dissemination of the protected developments by enabling their deployment, licensing and/or patent pooling. The commitment shall be laid down in a deployment plan showing the development of new or existing business relationships with local partners to accelerate the international implementation of CCS. First step shall be focussed on European and emerging economies.

### **2.3 Diffusion rights**

If the applicant fails to comply with the deployment plan, the Commission could then exercise Diffusion Rights under the grant agreement under precise circumstances similar to US march-in rights.

### 3. Conclusive remark

Applicants are advised to use a standard for the

- set of data to share with the various stakeholders
- the deployment plan

to define their commitments. These standards - commonly developed and agreed by suppliers and operators, assisted by the project network secretariat - have to be developed. This procedure makes sure that the applicants are competing on price, functionality and quality of their deliveries based on a commonly agreed and identical level of knowledge sharing.

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*The European Power Plant Suppliers Association (EPPSA) is the voice, at European level, of companies supplying power plants, components and services. EPPSA members, located throughout Europe, represent a leading sector of technology with more than 100 000 employees and annual revenue of over 20 billion euro.*

*EPPSA actively promotes technologies for highly efficient and sustainable power generation in a carbon constrained world. EPPSA believes increased investment in Research, Development and Demonstration is a key factor in driving EU competitiveness as well as ensuring an affordable near zero emission power supply.*

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