

European Commission and Wintershall make case for “clear means” of decarbonization with CCS

LONDON, UK, May 22, 2023 /EINPresswire.com/ -- According to the European Commission, carbon capture and storage (CCS) offers a clear route to decarbonization in the industrial sector, having established a number of support programmes in the segment. Hugo Dijkgraaf, Chief Technology Officer of Wintershall Dea, spoke at a panel session alongside political stakeholders in Brussels on 22 May: “This strengthens us in our plans to build up a new business field with CCS and hydrogen projects. Climate change must urgently be stopped. Low-carbon hydrogen and CCS are two solutions to complement renewables. With our CCS and hydrogen activities, we plan to save 20 to 30 million tonnes of CO₂ annually by 2040.”

According to Dijkgraaf, the proposal for a Net-Zero Industry Act (NZIA) made by the European Commission is a “boost” for CCS, which it describes as a “strategic net zero technology”. The EC also stated that faster permit approvals and improved funding channels will allow for the scaling of the technology’s benefits. The EU has set a goal to achieve 50 million tonnes of injection capacity annually as soon as 2030, which has been enshrined in the act and would incentivize companies to deploy CCS at high levels in order to meet European climate targets.

The Wintershall CTO did however argue that CO₂ produced by the EU which is stored in non-EU member European Economic Area (EEA) countries like Norway should also count towards the target for injections, given its vast potential storage capacity. He also underlined the importance of EEA and EU member countries ensuring that enough licenses are available, including through licensing rounds for exploration. The programmes, which include the Innovation Fund, Horizon Europe and the TEN-E (Trans-European Networks for Energy) Regulation represent serious willingness to act on the part of the EU. Revisions were recently made to the TEN-E Regulation in order to incorporate cross-border CO₂ networks as a priority measure.

Dijkgraaf added the following: “The European Commission understands that if Europe wants to remain competitive as an industrial location, we need pragmatic, fast and affordable solutions to decarbonize. To pursue our ambitious targets, we need reliable framework conditions from policymakers and continued political support. The restructuring of industry is a mammoth task shared by industry, politics and the energy sector.”

Under Wintershall Dea’s plans, CCS will primarily be offered as a service for industries that are not expected to completely decarbonize even after electrification. A CO₂ transport network will

be put in place to move the CO2 from the emitter's location to collection points, after which it will be transferred to safe storage sites beneath the North Sea's seabed. "We want to be the architect of the entire CCS value chain, helping to drive the decarbonization of industry and thereby prevent deindustrialization in emission-intensive sectors," Dijkgraaf said.

An effective emissions trading system (ETS) could play an important role in developing the market, given that emitters are not required to purchase carbon credits for CO2 that is safely and permanently stored. Carbon Contracts for Difference (CCfDs), which set out long-term contracts between governments and emitters in order to help offset the capital inputs of green production, are currently under discussion in Germany and could serve as an important driver. State requirements for green procurement could also play a role.

German group BASF owns 72.7% of Wintershall Dea with remainder is held by Russian investors Mikhail Fridman, Petr Aven and German Khan.

<https://www.worldoil.com/news/2023/5/22/european-commission-wintershall-recognize-ccs-as-clear-means-of-decarbonization/>

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