2013-07-01

Statoil

European Commission
v/ Directorate General Energy, Unit C1- Renewables and CCS
ENER-CCS-COMMUNICATION@ec.europa.eu

Statoil EU Affairs Office
Avenue de Cortenbergh 120
B - 1000 Brussels
eu-office@statoil.com
Transparency Register: 4447605981-76

Dear Directorate General Energy,

With great interest Statoil took notice of the Consultative Communication on The Future of Carbon Capture and Storage in Europe. Statoil as a front runner and a pioneer within CCS, welcomes the opportunity to comment, based on our experience and expertise.

Attached you will find Statoil's more general comments and answers to the questions raised in the Consultative Communication.

Carbon Capture and Storage (CCS) is the only technology today that can reconcile the use of fossil fuel needed to meet future energy demand with meeting Europe's carbon emission reduction ambitions. It is also the only technical solution for carbon abatement for several energy intensive industrial applications. It is a crucial element within the carbon abatement tool-set and it should therefore be treated as an integral part of the Energy and Climate Policy framework towards 2030.

Statoil believes that the business case for CCS and hence its deployment can be improved by the following policies:

- Creation of a long-term financial incentive for low-carbon technologies via a structural reform of the EU ETS.
- Provision of interim measure(s) supporting CCS development that would not undermine the EU ETS and the European electricity market, and that would exist only until the EU ETS can provide the principal incentive.
- Revision of the regulatory framework in order to provide confidence for investments in CCS technology development and value chains.

There is strong interdependency between these three factors and they all need to be addressed if CCS is to be demonstrated and deployed at large scale in Europe.

Kind regards,

Kai B. Lima
Vice President, Statoil Renewable CCS

Enclosed: Statoil's response to consultative Communication on The Future of Carbon Capture and Storage in Europe