

The Bundesrat has rejected the CO₂ storage law

Konrad Mazur

On 23 September the Bundesrat, the German parliament's chamber which represents the federal states, rejected the law relating to the use of carbon capture and storage technology. The Carbon Capture and Storage technology (CCS) enables CO₂ released while burning coal to be captured, transported and stored in underground storage facilities. Under the rejected CCS law, which was meant to implement the EU directive regarding the introduction of clean carbon technologies, small and medium-sized pilot storing facilities with a capacity of up to 3 million tonnes per year would be built by 2017 and then the technology would be introduced on a commercial scale. The law was rejected in the Bundesrat out of fear that the CCS technology would have a negative impact on the environment (e.g. pollution of underground waters).

Commentary

- In the immediate future the passing of the CCS law in Germany may prove very difficult due to the opposition of the strong environmental movement in Germany which, after the meltdown of the Fukushima nuclear power plant, has been attracting more and more supporters. This movement is backed by the Green Party and the lobby of renewable sources of energy technologies for which CCS is a rival technology as it promotes alternative low-carbon technologies, in this case coal-related ones.
- The rejection of the law by the Bundesrat is a failure of the German government as CCS technology is one of the more important elements of its new energy strategy. Under this strategy CO₂ emissions will be reduced by 85% by 2050 and most conventional power plants be using CCS.
- The lack of the CCS law is also a fiasco for the “coal lobby” in Germany as this technology would facilitate the replacement of phased out nuclear power plants with power plants powered by brown coal and stone coal. After 2020, in line with the EU directive relating to the trade in emissions, conventional plants will be forced to buy 70% of the rights to CO₂ emissions currently allocated free of charge, which will increase running costs. CCS, which can become profitable in approximately 2025, could in the long term maintain the competitiveness of coal-powered plants. Should this not be the case, power plants using energy from renewable sources and not emitting, as well as gas-powered power plants will be more competitive (they emit half as much CO₂ as coal-

powered plants).

- Should CCS technology not be introduced in Germany, the competitiveness of coal-powered plants in neighbouring countries, which have already been using this technology (e.g. Norway) will grow, as will the competitiveness of those countries likely to introduce the technology by 2020 (e.g. Poland). It is possible that Germany, due to strong social opposition and its strong green technologies lobby will aim at storing CO₂ outside Germany, e.g. in Norway or Russia. The German minister of economics, Philipp Roesler signed an agreement with Norway regarding the establishment of a working group which will examine the possibility of transporting CO₂ to storage facilities in Norway, located in sites left after the exploitation of gas and oil fields.