BUSINESSEUROPE

COMMENTS

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BUSINESSEUROPE comments on technical requirements for new build coal-fired power plants as a precondition for export credits under the OECD regime

The international climate summit in December 2015 offers a unique chance to set the scene for a real change in worldwide climate and energy policy and to drive investments towards low carbon technologies. Power plant technologies offer great perspectives to provide innovations to the markets and to deliver the Best Applicable Technologies for all components of the energy system.

This is why industry follows with great interests the ongoing debate on export financing instruments, especially with regard to Export Credits Agency (ECA) support, within the OECD.

Within the next decades, there will be – under all foreseeable circumstances - a significant volume of new build coal-fired power plants around the world and it is important to minimise their emissions through the application of high efficient technologies.

A qualification scheme for ECA support can help to drive the global market in the right direction, but it is important to set up such a scheme in a balanced manner to ensure that those technology providers capable to provide the Best Applicable Technologies for the different markets are not forced to step out of a highly competitive market.

Therefore, industry supports the concept of an "exclude and support" scheme, under the OECD regime, to support the deployment of high efficient technologies

The market situation and the capability to use the most advanced technologies (Best Applicable Technologies) differ in the different markets. Therefore, it is important to ensure access to financing instruments for suitable high efficient technologies. However, there is a justification for banning inefficient solutions and to foster the deployment of the most advanced solutions by preferred financing conditions.

Consequently industry proposes the following criteria to push the world markets towards advanced technologies:

Eligibility criteria for ECA support of high efficient coal-fired power plants.

ECA-support "level	Technology class	Description
No longer eligible	**Sub-critical power plants**	Steam cycle pressure <221bar
Standard (12 years)	**Super-critical power plants**	Steam cycle pressure >221bar
Preferred conditions (14y)	**Ultra super-critical power plants**[1]	>240bar & 600°C steam temperature

[1] "Ultra super critical" is not an internationally standardised term. The description in the next column is consequently for this purpose only.

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These rules should not apply to smaller coal-fired power plants, where it is difficult to meet the aforementioned technology levels. Therefore it is proposed that smaller plants should at least reach the level of the best quarter of the comparable installed fleet in the market in question.

The above proposed scheme should apply to companies from OECD countries based on their corporate domicile (legal home of the company) and not place of their operation or place of operation of their spin-offs and subsidiaries.

CCS readiness
Newly build plants should be “Carbon Capture and Storage ready”.

Dynamic approach
Due to the fact that Ultra Super-Critical plants are technically feasible and already established in some markets, it seems to be reasonable to review their “preferred status” from time to time and downgrade them to ” standard” once the technology is accepted widely on the world markets. This evaluation should be carried out every five years.

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