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## Economic Commission for Europe

Committee on Sustainable Energy

### Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels

Ninth session

Geneva, 18 November 2013

## Report of the Ad Hoc Group of Experts on Cleaner Electricity Production from Coal and Other Fossil Fuels

### I. Introduction

1. The ninth session of the Ad Hoc Group of on Cleaner Electricity Production from Coal and Other Fossil Fuels was held on 18 November 2013.

### II. Attendance

2. The meeting was attended by experts from the following United Nations Economic Commission for Europe (UNECE) member States: Czech Republic, Latvia, Netherlands, Poland, Russian Federation, Turkey, Sweden, Ukraine, United Kingdom, and United States of America. Representative of the European Union also participated.

### III. Adoption of the agenda (agenda item 1)

*Documentation:* ECE/ENERGY/GE.5/2013/1

3. The representative of the European Union expressed his views regarding agenda the agenda items 5, 7, 10 and 11. His remarks, in particular those related to the agenda item 5 (the Ad Hoc Group of Experts' Terms of Reference that were currently being agreed on by the Executive Committee of ECE) were taken into account.

4. Regarding agenda item 7, the representative of the European Union asked for clarification as to what the role of the Ad Hoc Group of Experts had in overseeing the project discussed under this agenda item. He noted that the European Union had since early 2012 been asking to receive the terms of reference, the names and contact details of the oversight board, the baseline studies, the pre-feasibility studies, along with detailed financial performance and evaluation and auditing reports. The Chair expressed his opinion

that the Group of Experts was responsible for reviewing the substantive outcomes of the project that was funded from the United Nations regular budget, while it had no role in administrative oversight of the project. In this regard, it was agreed that only substantive outputs of the project would be presented during the agenda item 7.

5. After discussion the provisional agenda as contained in ECE/ENERGY/GE.4/2013/1 was adopted without amendment.

#### **IV. Election of officers (agenda item 2)**

6. The Ad Hoc Group of Experts elected its new Bureau to serve in 2014–15: Mr Barry K. Worthington (United States of America) as Chair, and Mr Vladimir Budinsky (Czech Republic), Mr Hayati Cetin (Turkey), Mr Borys Gryadushchiy (Ukraine), Mr Sergey Katshev (Kazakhstan), Mr Leon Kurczabinski (Poland), and Mr Sergey Shumkov (Russian Federation) as Vice Chairs.

#### **V. Opening remarks from the Chair (agenda item 3)**

7. The Chair thanked the Ad Hoc Group of Experts for the election, noting that the Ad Hoc Group of Experts received a mandate for two years to accomplish some meaningful contributions and deliver results of value to the United Nations, individual member States, and other stakeholders. The tasks before the Ad Hoc Group of Experts were identified as:

- (a) Foster regulatory and policy dialogue;
- (b) Share best practices;
- (c) Carbon Capture and Storage (CCS) and carbon utilization;
- (d) Enhanced oil recovery with CO<sub>2</sub>;
- (e) Advanced fossil fuels technologies for power generation.

8. If approved by the Executive Committee, the Ad Hoc Group of Experts might look at transmission and distribution technologies, including smart grids. A collaborative effort by the entire Ad Hoc Group of Experts would lead to defining specific activities to be accomplished by the end of 2015. To accomplish the above tasks the Ad Hoc Group of Experts would have to focus on substantive components of these issues and not on administrative or managerial matters, such as monitoring and evaluating the work of staff and consultants or on other procurement, accounting and auditing functions.

9. In terms of future activities, there was a concern over the UN Framework Convention on Climate Change (UNFCCC) and how, in a post-Kyoto timeframe, CCS and CCS for enhanced oil recovery would be treated. There had been many groups that focus on CCS, but this Ad Hoc Group of Experts was likely the only organisation that had the ability to provide a consultative role with the framework convention in regard to CCS and CCS for enhanced oil recovery.

#### **VI. Activities and priorities of the Committee on Sustainable Energy and any matters for consideration by the Ad Hoc Group of Experts (agenda item 4)**

10. The secretariat updated the Ad Hoc Group of Experts on the relevant decisions adopted by ECE at its sixty-fifth session held on 9–11 April 2013 and the July 2013 decision of the Executive Committee to extend the mandate of the Committee on

Sustainable Energy and its subsidiary bodies, and on the preparation for and the possible outcomes of the twenty-second session of the Committee on Sustainable Energy, planned to be held on 21–22 November 2013.

## **VII. Tour de table (agenda item 6)**

11. The Ad Hoc Group of Experts members reported briefly on relevant developments in their countries or organizations.

12. The representative of Poland informed the Ad Hoc Group of Experts about the developments surrounding the Warsaw Climate Change Conference 2013 (COP 19) that had started the week before. He in particular drew attention to the "Warsaw Communiqué", developed jointly by the World Coal Association and the Polish Ministry of Economy. The "Communiqué" outlined practical steps to tackle climate change and allow coal to continue to play its role as an affordable, abundant, easily accessible source of energy. One of these steps could be creation of a fund to support those countries that rely on fossil fuels in their transition to a lower-carbon intensity economy, while eliminating certain negative impacts of climate policies on national economies.

13. The representative of the Czech Republic updated the Ad Hoc Group of Experts on "Push for EU Energy Policy Change", an initiative by ten major EU energy companies: CEZ Group, Enel, Eni, E'on, GasNatural Fenosa, GDF Suez, GasTerra, Iberdrola, RWE and Vattenfall that together represent over 50% of European generating capacity. The initiative was a reaction to failures of EU energy policies that were reflected in the facts that in the last four years the households had to pay 17% and the industrial users 21% higher prices, which had undermined EU's industrial competitiveness. The initiative was therefore aimed to make sure that: EU consumers were able to pay bills; EU consumers could benefit from reliable energy supply; Europe's climate ambitions were reinforced. These goals were to be achieved through: fostering the integration of mature renewables into the regular market; giving priority to the utilization of the existing competitive power capacity rather than subsidizing new construction; strengthening fundamentally the European carbon market.

## **VIII. Update on the United Nations Development Account project: "Mitigating Climate Change through Attracting Foreign Direct Investment in Advanced Fossil Fuel Technologies" (agenda item 7)**

*Documentation:* ECE/ENERGY/92

14. As requested by the Ad Hoc Group of Experts during the agenda item 1 (adoption of the agenda), the secretariat presented this project, focusing on substantive and technical aspects. The secretariat updated the Ad Hoc Group of Experts on the principal written output of the project, the synthesis report, published as Energy Series No 40: "Mitigating climate change through investments in fossil fuel technologies". The synthesis report was based on national case studies from Afghanistan, China, India, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Ukraine, and Uzbekistan. The details are available in the presentation posted on the meeting's website<sup>1</sup>.

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<sup>1</sup> [http://www.unece.org/fileadmin/DAM/energy/se/pp/clep/ahge9\\_nov2013/AI.7\\_UNDA\\_S.pdf](http://www.unece.org/fileadmin/DAM/energy/se/pp/clep/ahge9_nov2013/AI.7_UNDA_S.pdf).

## **IX. Update from the fifth Carbon Sequestration Leadership Forum (agenda item 8)**

15. The Chair updated the Ad Hoc Group of Experts on the fifth Carbon Sequestration Leadership Forum (CSLF) Ministerial Meeting held on 4-7 November 2013 in Washington. The meeting rejuvenated interest in CCS, which was partly driven by the new US Secretary of Energy who shown a keen interest in CCS developments. Secretary Moniz was joined by ministers of energy from Canada, Norway, the United Kingdom, while other 19 countries participated at a lower level. Ministers endorsed CCS technologies as one of the low-carbon technology options critical to the global quest to reduce greenhouse gas emissions. The ministers recommended the development of financial frameworks and incentive mechanisms to drive near-term demonstration and noted that the cost was the principal obstacle to more CCS project deployments. They pledged to further develop CCS demonstration and deployment strategies in both the power and industrial sectors, through a global coordinated effort. The ministers noted how important utilization could be, in particular for enhanced oil recovery. The Forum concluded that if CCS technologies were not deployed, it would have been impossible to achieve climate goals by 2050.

## **X. Studies on energy diversification and environmental impact of the electricity industry (agenda item 9)**

*Documentation:* Informal document No. SED CEP 2013/4

16. The expert hired by the Organization for Security and Co-operation in Europe (OSCE) presented a study that reviewed the implementation of commitments by the OSCE/ECE member States in the field of energy, with a special emphasis on diversification of the energy mix through the development of renewable energy. The study was prepared in collaboration with the UNECE secretariat and launched at the Concluding Meeting of the twentieth OSCE Economic and Environmental Forum held in September 2013 in Prague. The expert outlined some important findings and recommendations of this study.

17. Looking forward, the expert conducted a survey on where the Ad Hoc Group of Experts should focus. A survey done on a sample of 400 stakeholders, pointed out, not in a rigorous statistical way, that the principal interests were: a) application of advanced generation, transmission and distribution of electricity, including smart grids and b) assessing the impact of technologies needed to harness unconventional fossil fuels.

18. The representative of the Russian Federation noted that while the study dealt with the effects or impacts of electricity production, the principal field of work of the Ad Hoc Group of Experts was technical innovation. According to the study, both gas and coal would continue to have a role in the future energy mix. In this regard, it would be desirable to look at the technology of coal gasification. In addition, preparation of fuels for combustion had the potential to significantly reduce emissions.

19. The expert from the United States noted the importance of smart grids. There were, however, many aspects in designing and managing smart grids. If the Group of Experts wished to go in this direction it would be necessary to better define the exact niche and the goals the Ad Hoc Group of Experts would like to achieve in the field of smart grids. Harnessing the unconventional fossil fuels could also offer be a lot of value as it had become a significant 'game changer' that allowed the United States to become a net energy exporter. Technology transfer abroad, however, was not so straightforward, given different economic and geological circumstances in different countries.

## **XI. Review of the programme of work for 2013–2014 (agenda item 10)**

*Documentation:* ECE/ENERGY/89

20. The Chair drew again the attention of the Ad Hoc Group of Experts to the five issues mentioned in the programme of work, and given on page 7 of ECE/ENERGY/89:

- (a) Regulatory and policy dialogue;
- (b) Sharing best practices in the field of Cleaner Electricity Production from Fossil Fuels in the UNECE region;
- (c) Carbon Capture Utilization and Storage (CCUS);
- (d) Enhanced oil recovery with CO<sub>2</sub>;
- (e) Advanced fossil fuels technologies for power generation.

21. Given that the Executive Committee of ECE may decide to assign smart grids to the work of the group of experts on energy efficiency, the key question was in which of the remaining issues the Ad Hoc Group of Experts could claim to have unique technical competence that no other group could provide (such as the International Energy Agency, the Electric Power Research Institute (EPRI) and other organisations with much larger budgets and resources).

22. The EU representative pointed out that the Ad Hoc Group of Experts could play a role that is complementary to existing global energy architecture. One of these niche activities stems from the fact that the Ad Hoc Group of Experts was a UN body that could communicate and interact with other UN bodies and agencies. The Ad Hoc Group of Experts could make contribution by offering advice to UNFCCC on how to use CCS technologies.

23. The representative of the Russian Federation reiterated that the principal field of work of this group should be deployment of advanced technologies and innovation in cleaner production of electricity, such as distributed generation and gasification of coal.

24. The expert from the United States pointed out the example of Best Practice Guidance on methane management in coal mines. This is a very narrowly defined topic, so if the this Ad Hoc Group of Experts wanted to follow the example of the Ad Hoc Group of Experts on Coal Mine Methane, the topic of its work needed to be very specific, concrete, and narrowly defined. The experts, too, would have to be willing to contribute their time and expertise, like the coal mine experts had done.

25. The representative of the European Union noted that a consensus was emerging—which was also in line with the informal consultations—that CCS should be the principal focus of work of this Ad Hoc Group of Experts. In addition to CCS, one could look at gasification of coal as a major contributor to the overall objective—reduction of greenhouse gas emissions—as well as at some other elements, such as smart grids. He proposed to have a short analytical background document prepared by the secretariat on CCS actors, activities, status of development, and the direction of future activities. The same approach could be applied to coal gasification, if that topic was found by the experts to be important.

## **XII. Adoption of conclusions and recommendations (agenda item 11)**

26. After discussions, the Ad Hoc Group of Experts recommended for approval by ECE Member States the following concrete activities:

(a) To instruct the secretariat to prepare a report on CCS—landscape, recent developments, principal actors—so that the role for ECE and the Ad Hoc Group of Experts could be more precisely defined and a duplication of efforts avoided;

(b) To offer its assistance to UNFCCC in assessing CCS technologies. To this end, the Ad Hoc Group of Experts will prepare recommendations to the UNFCCC on how CCS in cleaner electric production, as well as CCS through enhanced oil recovery, could be used. Ad Hoc Group of Experts would work on a report containing recommendations and suggestions that would be transmitted to UNFCCC, with a request that they be given consideration as the post-Kyoto, post-2015 Treaty was discussed and prepared. The Ad Hoc Group of Experts would work with a self-imposed deadline of completing this action by November 2014, when this activity would be reviewed by the Ad Hoc Group of Experts and a written report finalized and adopted.

27. Additional activities would be defined through an interactive electronic exchange among the members of Ad Hoc Group of Experts. These additional activities should be concrete, tangible, and not duplicative with what other bodies and groups are doing.

## **XIII. Preparations for the tenth session of the Ad Hoc Group of Experts (agenda item 12)**

28. The Ad Hoc Group of Experts discussed preparations for its tenth session. The tenth session of the Ad Hoc Group of Experts was tentatively scheduled to be held on 17 November 2014, as a part of the annual ECE Energy Week, back to back with the meeting of the Ad Hoc Group of Experts on Coal Mine Methane, as was the case in 2013, and with the meeting of the just established Group of Experts on Renewable Energy. The possible topics for the substantive portion of the session would be discussed through electronic means.

## **XIV. Adoption of the report (agenda item 14)**

29. As proposed by the Chair and accepted by the Ad Hoc Group of Experts, a draft meeting report was prepared by the secretariat, in consultation with the Chair and the Bureau, and subsequently circulated electronically for comments and approval to the Expert Group members and the Geneva Permanent Representations. After the approval, the report was posted on the ECE website.

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