



ARCTIC CLUSTER TEAM
Sustainable Industrial Solutions for
Northern Norway, Paris and the World



Fertilizers
Europe



altera



EUROPE
CARBON CAPTURE
& STORAGE EUROPE



PORT OF
HIRTSHALS
HIRTSHALS HAVN



EuLA
European
Lime
Association



ccb energy



zep
zero emissions platform



Porthos
CO₂ TRANSPORT & STORAGE



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COMMITTED TO SUSTAINABLE METALS



SCHWENK



BELLONA
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e.on



CEMBUREAU
The European Cement Association



SCCS



CO₂Hub
EUROPE



Baker Hughes



DOW

NOVONESIS



Hydro



Carbon Balance Initiative



Air Liquide



DANUBECCS
VENTURES



Leilac



KLIMPO



Hafslund



Mo Industripark as



Nuada



Horisont energi



CARBON
CIRCLE



CO₂ MANAGEMENT AS



HAUGALAND
NÆRINGS-PARK



greenport north



fluxys



CLEAN AIR
TASK FORCE

CO₂ Storage
Kalundborg

A project by
Equinor, Ørsted
& Nordsøfonden



slb Capturi

Dear Commissioners,

The 39 signatories of this letter would like to express their support for an ambitious Clean Industrial Deal and set out priorities for carbon management technologies, ensuring it efficiently supports industrial decarbonisation in Europe.

Carbon capture and storage (CCS) is essential to achieving climate neutrality by 2050 as recognised by the European Commission in its recent Industrial Carbon Management Strategy (ICMS). While direct electrification and reduction of emissions at the source must always be a first priority where feasible, a targeted application of CCS where it has a high climate impact is vital to decarbonise harder-to-abate industrial sectors, such as cement, lime, glass, chemicals, waste management, steel, aluminium and fertilizers. The technology is also a prerequisite for enabling removals for residual emissions.

CCS is crucial to bolster the competitiveness of European industry, retain quality jobs, create green jobs and solidify the EU's international leadership in the green transition. While the European Commission's own analysis estimates that the EU could need to capture up to 450 million tonnes of CO₂ annually by 2050,¹ the IPCC sets out that current rates of CCS deployment are far below what is needed to limit global warming to 1.5°C or even 2°C.²

A major milestone for CCS was reached with the Net Zero Industry Act (NZIA) and the Industrial Carbon Management Strategy (ICMS), but much still remains to be done. Currently, there are no commercial-scale CO₂ storage sites operational in the EU. Cross-border CO₂ transport and storage networks need to be built. And efforts to develop a European CO₂ transport and storage market will come with challenges. It will be crucial to clarify a regulatory approach for Europe and the EEA, as well as fill regulatory gaps and overcome market barriers, while facilitating and enabling a business case for CCS. There is an urgent need for tailored policies and financial incentives to accelerate the development of CCS technologies to a scale capable of enabling significant reductions in emissions.

The Clean Industrial Deal must meet its expectations by overcoming barriers and catalysing the deployment of CCS – ensuring its timely deployment in the EU. The signatories see the below as prerequisites to ensure an ambitious Clean Industrial Deal that supports decarbonisation in the EU through the deployment of CCS.

1. Focus on sustainability

Bolstering competitiveness and climate action must be the cornerstone of the Clean Industrial Deal: reducing greenhouse gas emissions, deploying clean technologies, and fostering innovation are essential. These measures will support the EU's energy security and position its industries at the forefront of the green revolution. CCS is crucial to support industrial decarbonisation and is needed to ensure all industries have the tools necessary to reduce their emissions.

¹ European Commission (2024). *Securing our future – Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society*. SWD(2024) 63 final. Available online [here](#).

² Intergovernmental Panel on Climate Change (no.11).

2. Focus on cohesion

Currently, CO₂ storage sites are mainly being developed in Northern Europe, which means industries located in Central, Eastern and Southern Europe could face prohibitive costs to access the storage needed to decarbonise.³ To address this, it is crucial to ensure a geographically balanced development of CO₂ storage, creating a level playing field across harder-to-abate industrial emitters. Targeted support should be provided to remote emitters located far from industrial hubs and large ports, ensuring that no region economically relying on industrial activities is left behind in the green transition. As such, cohesion funding should be made available also for deployment of carbon management projects.

3. Focus on a just transition

Industries requiring CCS to reach their climate targets represent millions of jobs across the EU. The Clean Industrial Deal must aim to protect those currently employed in carbon-intensive industries and to create new high-quality green employment opportunities in clean technologies.

4. Focus on CO₂ infrastructure planning and deployment

As CCS requires the development of CO₂ transport and storage infrastructure across Europe, the Clean Industrial Deal must include a focus on building, coordinating and managing such a network. This includes monitoring and ensuring that the injection capacity target and obligation in the NZIA is met, and matched by an additional EEA target.

The European Commission must take a leading role in planning the CO₂ transport and storage network in the EU as mentioned in point 2, while at the same time ensuring a clear legal and regulatory framework. This requires clarifications on the Helsinki Convention, CO₂ standards, accessibility and market functioning, and coordination at the EU Member State level. It has to be ensured that infrastructure needs are met. Such an approach also needs to include ports, which are crucial for a CO₂ transport and storage network.

5. Create demand for low carbon products and enable a fair and transparent market

It is crucial to ensure an effective and competitive European CO₂ market firmly based on its proven climate change mitigating impact. To this end, it is crucial to support the scaling up of CCS in Europe, and the European Commission must ensure the development of a competitive and transparent market, centred on principles of open access and a strong demand for decarbonised products and services.

The Commission must develop a robust CO₂ market regulation, with a particular focus on CO₂ transport, to ensure fair and open access conditions to CO₂ storage and transport infrastructure. This must also include transparent pricing mechanisms to avoid monopolies and oligopolies in an emerging market. The Commission must incentivise the creation of strong demand signals for decarbonised products by reviewing the regulatory frameworks currently on Public Procurement and in the upcoming Lead Markets pillar under the CID, ensuring well-balanced criteria beyond

³ Clean Air Task Force (2023). *Where will Europe store its CO₂?* Available online [here](#).

price. Sector-specific market pull measures are needed, in order to address the lack of demand for decarbonised products across the different value chains

6. Address the funding gap

The Commission must address the funding gap as identified by the Draghi report. The Innovation Fund has been instrumental but not sufficient for the challenge at hand. Establishing Important Projects of Common European Interest on industrial carbon management, unlocking additional funding and innovative new policy tools for derisking purposes is crucial to incentivise the flow of private investment into the development of the technologies. The upcoming Competitiveness Fund must be equipped with appropriate funding in order to be effective, and the Clean Energy Investment Strategy must integrate CCS. The EU must also build on the success of cross-border CO₂ networks funded through the Connecting Europe Facility. The budget for this instrument should be expanded to enable more connectivity and cohesion across Europe and support a wider range of CO₂ transport modes.

7. International partnerships

The EU's CO₂ network should not be developed in a closed space, but in collaboration with its neighbouring countries. Access to storage in the UK or in the Mediterranean Sea is currently prevented by regulatory barriers that will need to be addressed. International partnerships will be crucial for providing storage access to industrial regions at affordable costs. Joint initiatives, such as cross-border CO₂ transport and storage agreements, can enhance risk sharing as well as the efficiency and cost-effectiveness of CCS deployment. It is important to create congruent market conditions across borders to ensure that we spark a race to the top and not to the bottom when it comes to regulatory frameworks.

Yours sincerely,

1. **Air Liquide**
2. **Aker Carbon Capture/SLB**
3. **Altera**
4. **Baker Hughes**
5. **Bellona**
6. **Carbon Balance**
7. **Carbon Circle**
8. **CCB Energy**
9. **CCS Europe**
10. **Cembureau**
11. **Clean Air Task Force (CATF)**
12. **CO2 Hub Europe**
13. **CO2 Management AS**
14. **CO2 Storage Kalundborg**
15. **Danube CCS Ventures**
16. **Dow**
17. **E.ON Sverige**
18. **Eramet**
19. **European Lime Association**
20. **Fertilizers Europe**
21. **Fluxys**
22. **Greenport North**
23. **Hafslund Celsio**
24. **Haugaland Næringspark**
25. **Horisont Energi**
26. **Klimpo**
27. **Kunnskapsparken Helgeland / Arctic Cluster Team**
28. **Leilac**
29. **Mo Industripark**
30. **Norsk Hydro**
31. **Novonesis**
32. **Nuada**
33. **Port of Hirtshals**
34. **Porthos**
35. **Schwenk**
36. **Scottish Carbon Capture & Storage (SCCS)**
37. **SINTEF**
38. **SLB Capturi**
39. **Zero Emissions Platform (ZEP)**