ZEP response to the consultation on EU emissions trading system – updated rules on monitoring and reporting (2021-30)

The Zero Emissions Platform (ZEP) is a European Technology and Innovation Platform (ETIP) under the Commission's Strategic Energy Technology Plan (SET-Plan), and acts as the EU's technical adviser on the deployment of Carbon Capture and Storage (CCS), and Carbon Capture and Utilisation (CCU) under Horizon2020 R&I programme (grant agreement 727582).

ZEP supports the European Union's commitment to reach climate neutrality by 2050, defined as net-zero greenhouse gas (GHG) emissions by 2050. To this end, carbon capture and storage (CCS) and carbon capture and utilisation (CCU) technologies play a crucial role[1]. These technologies represent a readily available, cost-efficient pathway for the decarbonisation of industrial and energy sectors in the European Union.

In the context of the revision of the EU ETS Monitoring and reporting rules, ZEP would like to make the following contribution:

- **All CO2 transport modalities** – pipeline, ship, barge, truck, and train – **should be included in the EU ETS. Thus, the ETS monitoring and reporting rules should be updated to reflect this.**

This change should apply to **art. 3 (55),** definitions, and to **annex IV (22)**, determination of greenhouse gas emissions from the transport of CO2 by pipelines for geological storage in a storage site permitted under directive 2009/31/EC, of the Implementing Regulation (EU) 2018/2066.

As is the case in the European Taxonomy for Sustainable Finance, this should be harmonised in relevant pieces of legislation connected to the EU ETS. CO2 transport and storage infrastructure is crucial to connect CO2 emitters in industrial clusters to storage sites, opening up access to permanent geological storage of captured CO2. Europe is well positioned to develop cross-border, shared CO2 transport and storage infrastructure, both via pipeline and by other modalities such as ship, barge, truck, and rail. This would send a strong signal to private investors and industry. With secure access to storage sites, more CO2 industrial emitters are likely to invest in capture projects, bringing down costs of capture technologies.

Additionally, upcoming CCS projects – including those in the fourth PCI list – rely on CO2 shipping to connect capture and storage sites. Without the possibility to transport CO2 by ship and other modalities, these projects would be put at risk of not becoming operational. This scenario must be avoided, as CCS and CO2 infrastructure are prime options for the decarbonisation of energy-intensive industries, where electrification is too costly or not feasible.

Based on the considerations outlined above, ZEP notes that the current proposed quantification methodologies for CO2 calculation may need to be adapted to account for all GHG emissions deriving from CO2 transport means other than pipeline.

[1] European Commission, 2018. A Clean Planet for all A European strategic long-term vision for a prosperous, modern, competitive and climate neutral economy.
[1] IPCC, 2019, Mitigation Pathways Compatible with 1.5°C in the Context of Sustainable Development, page 134