

Zero Emissions Platform (ZEP) response to adopted act: EU ETS Directive

Key points:

- Regarding the outcome on CO₂ transport – operated by pipeline, ship and truck – it should be clarified that this includes all CO₂ transport modalities, for example train and barge. This is crucial for the development of CCS projects. Inclusion of all CO₂ transport modalities should also be reflected across associated European legislation.
- The phrasing on CCU is aligned with ZEP's recommendations and should be preserved.
- The EU ETS Innovation Fund is a key tool to support the development and deployment of low-carbon technologies. There should be a distinction between the current set-up of the Innovation Fund and the different set-up which will also support road and maritime transport and buildings. Ensuring that sufficient funding is available for low-carbon technologies, such as CCS and CCU, is crucial.
- Further clarification is needed regarding the setup of carbon contracts for difference under the Innovation Fund and ZEP is looking forward to giving input in this process.
- ZEP would like to share some comments in light of the revision of the EU ETS Directive.

All modalities for CO₂ transport

In the explanatory note appended to the revised EU ETS Directive, the European Commission highlights that CO₂ transport will likely be operated equally by pipeline, ships and trucks, thus revising the legislation to broaden the scope of eligible CO₂ transport modalities. ZEP is supportive of this proposed amendment – in line with previously-submitted input – and would like clarification that this includes all CO₂ transport modalities, such as train and barge.

While some upcoming and planned CCS projects will rely on CO₂ transport by pipeline, the role of shipping is crucial in this decade to connect CO₂ emitters across Europe to CO₂ storage sites, which are unevenly distributed in Europe. Several candidate projects on the 5th list (and previous 4th list) rely on CO₂ transport by ship. It is crucial to reflect this outcome effectively in the EU ETS Monitoring and Reporting Regulation, and to put in place an enabling policy framework that will support the development of cross-border European CO₂ infrastructure. Inclusion of all CO₂ transport modalities should be reflected across associated European legislation.

Inclusion of Carbon Capture and Utilisation (CCU)

The inclusion of CCU is a positive step forward. In line with ZEP's recommendation, the language adopted by the European Commission states that CO₂ emissions should be stored

in a manner intended to be permanent without re-entering the atmosphere. This outcome should be preserved in the Directive and be adopted across relevant EU legislations.

EU ETS Innovation Fund

Regarding the set-up of the Innovation Fund, ZEP understands that the Innovation Fund will have a new, broader scope, and cover a wider number of low-carbon technologies, given that the building and road transport sectors will be covered by a new EU ETS. ZEP believes that it should be further clarified how new low-carbon technologies will be integrated into the Innovation Fund. As the timelines for the current Innovation Fund and the possible integration of new technologies under the revised Innovation Fund would need to be coordinated, ZEP's preference would be to keep the current set-up separate from further additions. Ensuring that sufficient funding is available for low-carbon technologies, such as CCS and CCU, is critical.

ZEP welcomes the European Commission's proposal to set up carbon contracts for difference (CCfD), a critical instrument for the scale-up and development of low-carbon technologies, and looks forward to giving input in this process. As discussions on CCfD progress in other European countries – such as the UK and the Netherlands – finding a European approach to CCfD would address existing barriers for planned and upcoming European projects, which will support the EU's decarbonisation pathway.

About the Zero Emissions Platform

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 826051).

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, CCS technologies represent readily available and cost-efficient pathways for the decarbonisation of industrial and energy sectors in the European Union. Some applications of CCU – where CO₂ is stored in a manner intended to be permanent – can also contribute to this goal.