

21 August 2019

Technical Expert Group on sustainable finance

**Input to the EU Taxonomy Technical Report by the Zero Emission Technology and Innovation Platform**

Dear Members of the Technical Expert Group,

The Zero Emission Technology and Innovation Platform (ZEP) is the technical adviser to the EU on the deployment of Carbon Capture and Storage (CCS), and Carbon Capture and Utilisation (CCU), a European Technology and Innovation Platform (ETIP) under the Commission's Strategic Energy Technologies Plan (SET-Plan).

Firstly, ZEP would like to commend the approach developed by the Technical Expert Group on the inclusion of CCS in the taxonomy. Specifically, the recognition that CCS is a sustainable economic activity that can help to decarbonise existing industrial activities, e.g. manufacturing. We will of course provide comments to the TEG Taxonomy Technical Report through the call for feedback that is presently running until the 13 September and we would also like to take this opportunity to directly highlight one very important issue in the report.

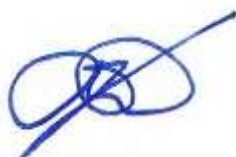
The first two proposed thresholds under Manufacture of Hydrogen/Mitigations criteria, on page 205 in the report, appear to be in line with the overarching goals, based on life cycle analyses and clearly stating the criteria to promote truly sustainable development for investment. The third proposed threshold, however, *"Average carbon intensity of the electricity produced that is used for hydrogen manufacturing is at or below 100 gCO<sub>2</sub>e/kWh (Taxonomy threshold for electricity production, subject to periodical update)."*, is clearly discriminating and not technology neutral:

- It would effectively exclude all electricity grid connected manufacturing sites and thus negatively impact the action required to deliver climate goals.
- It is unique to hydrogen and discriminatory against this manufacturing technique.
- It is redundant as the first threshold delivers the environmental benefit.

ZEP sees this as a clear and obvious error and would thus like to see the third threshold deleted.

We would be more than happy to meet, to discuss this further.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Graeme Sweeney', with a stylized flourish at the end.

Dr. Graeme Sweeney

ZEP Chairman

European Zero Emission Technology and Innovation Platform