

December 2023

## NZIA TRILOGUE – CEMBUREAU PRIORITIES

Carbon Capture, Utilisation and Storage (CCUS) is critical to decarbonise cement production<sup>1</sup> and significant investments are currently ongoing in the sector<sup>2</sup>. In this respect, CEMBUREAU fully supports the EU Net Zero Industry Act (NZIA), and in particular the proposed yearly injection capacity target of 50 million tons of CO<sub>2</sub> by 2030, as a key instrument to support the sector's decarbonisation efforts.

As trilogue negotiations on the NZIA start, CEMBUREAU would like to highlight the following priorities:

### 1. CO<sub>2</sub> transport and capture projects should be included in the scope of the NZIA

Besides onshore and offshore CO<sub>2</sub> storage, the development of CO<sub>2</sub> transport infrastructure and capture installations is crucial for CCUS projects. It is particularly critical that the shorter permitting deadlines of the NZIA cover both CO<sub>2</sub> storage projects and CO<sub>2</sub> transport as well as CCUS projects on industrial installations.

⇒ **CEMBUREAU welcomes the provisions of both Parliament and Council to ensure in addition to CO<sub>2</sub> storage projects, both capture and transport projects may also be considered as strategic net zero projects** (Article 10.2).

### 2. The reporting obligations of Member States on CCS should be strengthened

Member States have a pivotal role to play in supporting a CCUS value chain. In addition to providing information to support storage sites, they should report in more detail about CCUS projects on their territory, including on CO<sub>2</sub> transport and CCUS projects on industrial sites. Where Member States are unable to develop CO<sub>2</sub> storage capacity, they should plan for ways to transport CO<sub>2</sub> in storage facilities in neighboring Member States and assess CO<sub>2</sub> utilisation options.

⇒ **CEMBUREAU supports the proposals of the Parliament to strengthen article 17 of the Regulation (inclusion of national strategy and targets that have been set for the capture of CO<sub>2</sub>, cross-border CO<sub>2</sub> transport, etc.)**

### 3. Fair access to CO<sub>2</sub> storage infrastructure should be ensured

It is critical that the CO<sub>2</sub> storage infrastructure (both storage and transport) respects the principles of transparency and third-party access, to offer to customers fair market access conditions.

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<sup>1</sup> Please see CEMBUREAU's [Carbon Neutrality Roadmap](#)

<sup>2</sup> Overall, there are about 38 CCUS-related projects in planning/development in the EU cement sector: 8 CCS projects, 16 CCU projects, 14 CCUS projects (looking predominantly at storing CO<sub>2</sub> but where CCU is also looked at) – please see CEMBUREAU [map of ongoing investments](#). CEMBUREAU believes that by 2030, the cement sector alone will need to store 12-15 million tons of CO<sub>2</sub> per year.

- ⇒ **CEMBUREAU welcomes the suggestion from the Council to underline that CO2 storage sites should respect the principles of “fair and open access” (article 16.2). We also welcome the European Parliament suggestion asking the Commission to reflect on a broader Regulatory framework for the market for captured CO2 (article 18a new).**

#### **4. A CO2 injection capacity target at a 2040/2050 time horizon**

Besides the 2030 injection capacity target, it is important to define CO2 injection capacity targets at a 2040 horizon, which should be done as part of the 2040 climate target setting that the Commission initiated.

- ⇒ **CEMBUREAU supports the proposals brought by both the Council (article 35.6) and Parliament (article 16.3) to ask the Commission to come up with CO2 injection capacity targets at a 2040 horizon. The European Parliament proposal is preferable as it also includes provisions on 2035 and 2050 targets.**

#### **5. CCU should be defined as a strategic net zero technology**

Alongside CCS, CCU is critical to decarbonise cement plants that are landlocked. CCU also supports climate mitigation in critical sectors such as transport or chemicals.

- ⇒ **CEMBUREAU believes that if an explicit list of strategic net zero technologies is drafted, it should include Carbon Capture and Utilisation (CCU). We welcome the inclusion of sustainable alternative fuels technologies in the Council text, but a broader approach including CCU as a whole is preferable.**

#### **6. Additional comments**

- **Article 18 (contributions of oil and gas producers) should be maintained.** This article is crucial to ensure that the 50 million tons CO2 injection capacity target is delivered. Oil and gas entities possess the know-how needed to develop such storage sites and have repeatedly committed to increase the EU's overall CO2 storage capacity. This article is also important to ensure a geographical spread of CO2 storage sites across the EU.
- **The NZIA should recognise the different forms of CO2 storage:** we welcome the provisions from both the Parliament (article 3q and article 16.1) and Council (article 17a) to include saline aquifers as a form of CO2 storage, besides depleted oils and gas fields.
- **Net Zero strategic projects should be financially supported:** we welcome the European Parliament's suggestion that at least 25% of national ETS revenues should be targeted at achieving the NZIA's objective (articles 43a and 15a).
- **Shorter permitting deadlines should apply throughout the entire application process:** we welcome the changes brought by the European Parliament to clarify that the shorter permitting procedures will apply “*from receipt of the project application*” and not “*from the acknowledgment of the validity of the application*” (articles 3f and 6.6).
- **Transformative industrial technologies for decarbonisation should be included in the list of net zero technologies,** as suggested by the Council (article 3a).

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