

PRESS RELEASE

CARBON CAPTURE DEPLOYMENT REQUIRES A THOROUGH DEBATE ON CO2 UTILISATION

By proposing a phase-out date of 2041 for the use of industrial CO2 in RFNBOs, Commission draft Delegated Act risks impacting decarbonisation investments.

Brussels, 13th February 2023 – CEMBUREAU, the European Cement Association (<u>www.cembureau.eu</u>), reacted today to the 2041 phase-out date for industrial CO2 in the Commission draft Delegated Act on renewable fuels of non-biological origin (RFNBOs).

"By proposing an arbitrary deadline on the use of industrial CO2, the European Commission severely restricts the deployment of carbon capture and utilisation (CCU) in the cement sector", commented Koen Coppenholle, CEO of CEMBUREAU. "We regret that this phase-out date was established without a thorough impact assessment. This risks negatively impacting several ongoing carbon capture projects in the EU, at a time of a global race for green investments".

Carbon Capture, Utilisation and Storage (CCUS) is a key technology to decarbonise cement production, with many large-scale projects currently being deployed in EU cement kilns. Whilst a number of CCUS projects aim at permanently storing the captured CO2 in geological sites (CCS), some others aim to re-use the captured CO2 in products (CCU), for instance in RFNBOs.

The European Commission's draft Delegated Act on the greenhouse gas saving criteria for RFNBOs sets the rules under which such fuels can qualify as sustainable. In its reasoning, the European Commission considers that CO2 from industrial sources should not be allowed for the production of synthetic fuels as of 2041, as this would go against the objective of carbon neutrality by 2050. CEMBUREAU strongly challenges this approach from the European Commission:

- Synthetic fuels using industrial CO2 make a decisive contribution to climate mitigation in the short to medium term, by considerably reducing the amount of CO2 emissions and reducing reliance on fossil fuels. It is therefore appropriate to allow for the continued use of industrial CO2 until at least 2050.
- No impact assessment has been presented by the European Commission. In particular, the availability
 of what the Commission defines as sustainable sources of CO2 (Direct Air Capture and the capture of
 biogenic emissions, deemed to replace industrial CO2) in 2040 is unknown.
- The Delegated Act threatens the viability of existing CCU projects in the cement sector, which require a payback time of 30-35 years.
- The Delegated Act does not recognize the reality of industrial installations like cement plants, which are faced with unavoidable CO2 emissions, and may not have access to CO2 geological storage sites. For these cement plants, re-using CO2 is the only approach to transition towards carbon neutrality.

"We need a real, thorough debate on CO2 utilisation", added Coppenholle. "At a time we see many carbon capture projects emerging in the sector, it is fundamental that EU policies supports CCU, in addition to the deployment of CO2 transport infrastructure and storage".

CEMBUREAU, the European Cement Association, issued its <u>carbon neutrality roadmap</u> in May 2020. A large number of <u>innovation projects</u> are currently being deployed by the sector to reduce CO2 emissions. These include a significant number of CCUS projects.

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NOTES FOR EDITORS

CEMBUREAU – The European Cement Association

CEMBUREAU, the European Cement Association is based in Brussels and is the representative organisation of the cement industry in Europe. Currently, its Full Members are the national cement industry associations and cement companies of the European Union (except for Malta and Slovakia) plus Norway, Switzerland and Turkey. Croatia and Serbia are Associate Members of CEMBUREAU. Cooperation agreements have been concluded with Vassiliko Cement in Cyprus and UKRCEMENT in Ukraine.

Please click <u>here</u> to view the 2050 Carbon Neutrality Roadmap online, and click <u>here</u> to access CEMBUREAU's map of ongoing innovation projects.

In addition, please click <u>here</u> to view Koen Coppenholle's op-ed on CO2 utilisation (November 2022), and <u>here</u> to access CEMBUREAU's position paper on the draft Delegated Act (November 2022).

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