

DRAFT EU COMMISSION GUIDANCE ON THE FREE ALLOCATION REGULATION (FAR)

Comments by CEMBUREAU, The European Cement Association

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The European Commission has presented a Draft Guidance document on the recently adopted Free Allocation Regulation (FAR) which has enlarged the cement clinker benchmark by adding the notion of “alternative hydraulic binders”.

The Guidance document now sets out to clarify this notion of alternative hydraulic binders by specifying that they need to fulfil three criteria for allocation under the grey cement clinker benchmark:

- they need to be used for the production of cement
- they can not be covered by another benchmark under EU ETS
- they cannot be by-products of waste or other production processes.

The Draft Guidance mentions as examples of alternative hydraulic binders for grey cement pozzolanic materials (e.g. calcined clays), aluminous cement binders, calcium aluminate cement binders, calcium sulfo-aluminate cement binders and alkali-activated cement binders.

CEMBUREAU is of the opinion that the suggested definition raises confusion for the following reasons:

1. **First**, the EU ETS Annexe 1 refers to the production of cement clinker. Therefore an allocation under EU ETS is made to a clinker producing installation, not a cement installation. The production of certain materials covered by the benchmark review may take place on sites that are not covered by the ETS, or even on mobile installations. Cement production may also take place outside sites covered by the ETS. Requiring that alternative hydraulic binders need to be used for the production of cement not only goes beyond the scope of Annex I EU ETS but also suggests a cement instead of a clinker based benchmark approach. Therefore, the change to the benchmark as envisaged makes the current methodologies and regulations impractical and inconsistent
2. **Second**, it is not clear on what basis certain binders have been included while others have been left out. The addition of the said binders results in a benchmark somewhere in the middle between clinker and cement
3. **Third**, hydraulic binders can react with water alone and will form a stable construction material. Part of the mentioned materials (pozzolana, calcined clay,...) are not hydraulic as they don't react with water alone, but need the activation by lime or grey cement clinker OPC. Alkali activated geopolymers can't be classified as hydraulic as the reaction is not a hydration, but a polymerization. Even gypsum, an essential component of all grey and white cements, reacts under certain circumstances with water, but is not seen as alternative hydraulic binder in this concept. . “Aluminous cement binders” and “calcium aluminate cement binders” (CAC) are hydraulic binders. But they cannot be seen as “alternative hydraulic binders” in construction

and are synonyms for the same product. They are almost exclusively used to produce refractory materials. In the past, CAC was used in construction because of its faster hardening properties. However, its inappropriate use without special precautions has led to structural stability problems in buildings leading to severe damages, why it was “banned” from construction. They are still used in dry-mortar products (glues) to enhance fast hardening.

4. **Fourth**, only materials covered by the standard EN 197-1 can be considered as alternative hydraulic binders. Calcium aluminate cement is a cement that qualifies under a different EN standard (standard EN 14647 instead of standard EN 197-1) and has therefore also been subject to an addition under the CBAM rules. The same applies equally to the other mentioned materials (aluminous cement binders and, calcium sulfo-aluminate cement binders).
5. **Fifth**, from a practical perspective, no historical data on any of the mentioned alternative hydraulic binders is available which makes traceability challenging. Determination of the benchmark level in the historical data of 2021 and 2022 is in our view impossible.
6. **Sixth**, the Draft Guidelines require that the alternative hydraulic binders need to be used for the production of the cement. Cement production may take place on sites that are not covered by the ETS. Moreover, these components can be used for purposes other than cement production, unlike clinker. Here again, the implementation of this request is inconsistent with reality.
7. **Seventh**, some of the mentioned materials for the white cement clinker benchmark are used in dry-mix mortar products, which is one of the main applications for white cement.