

DRAFT DELEGATED ACT ON THE METHODOLOGY TO DETERMINE THE GREENHOUSE GAS (GHG) EMISSION SAVINGS OF LOW-CARBON FUELS

EC DIRECTIVE 2024/1788 FOR COMMON RULES FOR THE INTERNAL MARKETS

CEMBUREAU POSITION

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The European cement industry has an ambitious decarbonisation agenda. CEMBUREAU has updated its [Net Zero Roadmap](#) in May 2024, and EU cement companies have established their own climate commitments and decarbonisation plans.

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 low carbon fuels.

Such ability to re-use CO₂ in low carbon fuels is particularly critical for our sector, as a significant part of the 200 cement kilns located in the EU are landlocked with no direct access to CO₂ storage sites. It is therefore essential for our industry to consider alternatives to the geological storage of CO₂, and the CCU offer an essential investment opportunity.

The European Commission's draft Delegated Act on the methodology to determine the greenhouse gas (GHG) emission savings of low-carbon fuels 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 low carbon fuels as of 2041** (Annex, Methodology, paragraph 10), as this would go against the objective of carbon neutrality by 2050. **CEMBUREAU strongly challenges this approach** from the European Commission:

- Low carbon 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.

In conclusion, a phase-out of industrial CO2 in low carbon fuels endangers one of the EU cement sector's key decarbonisation levers and directly threatens the EU's green industrial leadership. It would have significant negative impacts in terms of on climate mitigation, EU industrial expertise and leadership, and down the low carbon fuels supply chains and in the transport sector.

CEMBUREAU therefore urges the EU institutions to reconsider this approach and allow for the use of industrial CO2 until at least 2050.
