



14 June 2021

To: Frans Timmermans, First Executive Vice-President of the European Commission

CC: Kadri Simson, Commissioner for Energy
Thierry Breton, Commissioner for the Internal Market and Services
Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries

Dear Executive Vice-President Timmermans,

CCUS: Time to incentivise carbon-removals technologies to achieve climate neutrality

The ambition of the EU regarding both the 2030 and 2050 climate targets is now confirmed. Stakeholders ranging from the UNFCCC and the IEA to other global economies, including the US and China, recognise that reducing CO₂ emissions to net zero by 2050 cannot realistically be achieved without deployment of Carbon Capture and Storage (CCS) / Carbon Capture and Utilization (CCU).

Model scenarios that limit global warming to 1.5 or 2°C rely on large amounts of CO₂ removals from the atmosphere. Capturing and permanently storing the CO₂ from different industries across Europe, including cement, fertilizers, steel, refining, chemicals and waste facilities can help achieve this. For instance, CCS deployed with Waste-to-Energy does not simply curb the release of CO₂ emissions; through the burning of unrecyclable and otherwise untreatable biogenic waste, it actually removes emissions from the atmosphere. It is a game changer, and part of the climate and circular economy solution.

We believe that environmentally safe and socially beneficial CO₂ removal technologies are a key complement to the EU's existing climate change mitigation tools. In particular, bioenergy combined with CCS (BECCS) provides opportunity of CO₂ removals to be stored with a degree of permanence that nature-based removals of CO₂ alone can rarely offer.

However, in present circumstances there is neither commercial justification nor regulatory requirement for private sector businesses to invest in development of carbon removal technologies on the scale required. Public investment in renewable energy amounting to hundreds of billions of euros has transformed the viability of that sector. CCS/CCU will play a smaller but nonetheless vital role in securing the EU's emission-reduction objectives but it will not begin to happen unless incentives are provided to kickstart its deployment. We have ambitious choices to make, and we need to develop immediate measures as our economy can no longer afford to wait for others to champion CCS/CCU.

The undersigned call for a better recognition of CCS/CCU in the legislation, such as the EU's Emissions Trading System and the expected 2023 carbon removal certification mechanism, and preferably, promoted by market-based tools such as carbon pricing. We encourage the European Commission to design an EU policy framework that has the following elements:

- Focuses on policy incentives for private investment into CCS/CCU and the key contribution of CCS/CCU to EU's quest for climate neutrality. In particular, implement policies to stimulate the development of both bioenergy with carbon capture and storage (BECCS) and waste-to-energy combined with CCS as a key technologies for achieving permanent carbon removals and negative emissions.
- Recognises the need to provide financial support and grants for kickstarting scalable and replicable CCS/CCU projects and achieving early deployment of the CCS value chain in Europe. In this regard, the current EU Innovation Fund is crucial for financing the first projects and scaling up the technology.
- Supports a long-term business model for incentivising carbon removals in line with the incentives for emissions reductions, and acknowledging that permanent removals are complementary to emission reductions.

In our work, we are ready to support you and the European Commission to act today in the context of the preparation for COP26 negotiations and the upcoming 'Fit for 55 Package', to promote carbon removal solutions and ensure that we do so in a way that delivers on the promise of the European Green Deal and the EU's climate ambition.

Yours sincerely,

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