

Consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG)



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CATF is an international non-profit organisation that works to safeguard against the worst impacts of climate change by catalysing the rapid global development and deployment of low-carbon energy and other climate-protecting technologies through research and analysis, public advocacy leadership, and partnership with the private sector.

CATF strongly supports the EU's ambition to become climate neutral by 2050 and welcomes the revision of the Climate, Energy and Environmental Aid Guidelines (CEEAG) to ensure compatibility with climate neutrality and to support the technologies and innovation required to reach the EU climate targets. The guidelines should indeed be updated and aligned with both the market opportunities and the Green Deal. While CATF welcomes the [draft communication](#), it could be improved with the inclusion of several points not yet mentioned.

Carbon capture and storage

CATF supports the inclusion of carbon capture and storage in the draft communication. According to most studies, carbon capture and storage will be required to reach climate neutrality. Carbon capture and storage will be especially important to decarbonise hard-to-abate industrial sectors, such as steel and cement. As acknowledged by the Commission, the carbon price on its own is unlikely to trigger sufficient investment in important breakthrough technologies such as carbon capture and storage. State aid could therefore play an important role to ensure the development and deployment of these technologies.

We welcome the inclusion in the draft communication of CO₂ pipelines and geologic storage, as well as the fact that commitment to implement decarbonisation technologies such as carbon capture and storage could be a potential method to demonstrate that investments in energy or heating contributes to achieving the Union's climate target.

However, other transfer modalities for CO₂, besides pipelines, should also be included. In accordance with the Taxonomy, the Communication should include all potential transport modalities, such as ship, barge, truck, and train, to a storage site. Shipping is especially expected to be important in the carbon capture and storage projects currently being developed in Europe. On the transport modalities, CATF would also like to stress the importance of consistency across the EU legislation, since all potential transport modalities are included in the Taxonomy.



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Methane emissions mitigation

CATF calls on the Commission to include specific provisions on methane emissions and mitigation in its Communication. As methane emissions have a global warming potential more than 80 times higher than CO₂ in the 20 years following their release in the atmosphere, addressing methane leaks, venting, and flaring will be crucial to reach our climate targets. In addition, methane mitigation offers a much-needed opportunity to slow-down the pace of global warming.

First, relevant infrastructure projects such as for hydrogen and other low-carbon gases should require Member States to address methane emissions, with specific measures dedicated to LDAR, and venting and flaring, as well as a methane intensity no higher than 0,2%.

While we oppose any potential investments in unabated natural gas, if Member States adopt measures that incentivise new investments in energy or industrial production based on natural gas, they should include strict criteria on LDAR, venting and flaring, and methane intensity.

Second, besides adding methane criteria in measures incentivising energy and industrial production, the Commission should also support investments in the technologies required for LDAR, such as Optical gas imaging (OGI) cameras, or in replacing venting by design installations with ones that don't emit methane. Member States should be allowed to support these changes either by measures incentivising investments in these technologies or by an aid in the form of reductions in taxes or parafiscal levies.

Moreover, Member States should also be allowed to grant tax reduction or to offer other incentives for companies' programmes dedicated to address methane emissions from unused and abandoned wells and coal mines.

Alternative fuels

CATF welcomes the inclusion of renewable and low-carbon hydrogen in the draft communication, covering both the development of new infrastructure and the repurposing of existing infrastructure in areas where a holistic assessment, including technical, safety and economic analysis indicate that repurposing is the most effective scenario. We also strongly support the inclusion that state aid may be granted for the construction, installation, or upgrade of recharging and refuelling infrastructure.



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The draft could however be improved regarding shipping. The recent proposal for the revision of the Directive on deployment of the alternative fuels infrastructure included targets for LNG infrastructure and postponed the adoption of targets for ammonia and hydrogen targets for the maritime sector. Considering that LNG is not a zero-carbon fuel, and the importance to decarbonise shipping, the state aid guidelines should include specific provision to promote and accelerate the development and deployment of hydrogen and ammonia-based fuels for the maritime sector, either through aid for studies and research, tax reduction, or measures incentivising investment for the use of hydrogen and ammonia in shipping.