

## **Response to the Public consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG)**

CO<sub>2</sub> Value Europe is the European Association representing the Carbon Capture and Utilisation (CCU) community in Europe and working for the recognition of CCU as an essential pathway to reach EU climate goals in 2030 and 2050 and the development of the CCU industry. We represent more than 70 stakeholders along the entire CCU value chain.

We welcome the draft CEEAG and would like to take the opportunity to raise some points that would require further clarification

- **In § 2.4, 18, (14) the definition of CCU writes:**

*'carbon capture and use' or 'CCU' means a set of technologies that captures the CO<sub>2</sub> emitted from industrial plants based on fossil fuels or biomass, including power plants and waste-to-energy plants [or captures it directly from ambient air], and transports it to a CO<sub>2</sub> consumption or utilisation site;*

We believe that the way this definition is formulated it is limiting to the capture of CO<sub>2</sub> from the use of energy (combustion of fuels) in industrial plants. Other sources of industrial CO<sub>2</sub> emissions (from the chemical process) are not taken into account with this definition, whereas they are a very important CO<sub>2</sub> fraction to be captured. A typical example is a lime kiln, where the limestone is heated at high temperatures to produce lime, thereby releasing CO<sub>2</sub> from the chemistry of the reaction. While the energy source for the kiln could be CO<sub>2</sub> neutral (if for example a renewable electric kiln is used no CO<sub>2</sub> emissions from fuel combustion are released), the CO<sub>2</sub> from the chemistry of going from limestone to lime will still be emitted (unavoidable emissions) and can be captured, therefore and should be taken into account. We therefore suggest removing the phrase "based on fossil fuels or biomass" from the definition:

*'carbon capture and use' or 'CCU' means a set of technologies that captures the CO<sub>2</sub> emitted from industrial plants ~~based on fossil fuels or biomass~~, including power plants and waste-to-energy plants [or captures it directly from ambient air], and transports it to a CO<sub>2</sub> consumption or utilisation site;*

With this adaptation the definition will also be compatible with the definition of 2.4 Definitions/18/(35)/(d)/(i) where pipelines are considered to transport carbon dioxide from "industrial installations (including power plants) that produce carbon dioxide gas from combustion **or other chemical reactions...**"

- **In § 2.4, 18, (16) the definition of CO<sub>2</sub> removal writes:**

*'CO<sub>2</sub> removal' means anthropogenic activities removing CO<sub>2</sub> from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products. It includes existing and potential anthropogenic enhancement of biological or geochemical sinks and direct air capture and storage, but excludes natural CO<sub>2</sub> uptake not directly caused by human activities;*

We believe that this definition can be restrictive for other types of removals. For example carbon utilisation in short-lived products implemented in closed carbon loops (e.g. direct air capture to e-fuels, combustion of e-fuels and recapture and reuse of CO<sub>2</sub>) is considered as a potential option by the

Carbon Removal Certification Mechanism (CRCM) as we speak. Or the natural (and enhanced) recarbonation of lime-containing products which is a natural CO<sub>2</sub> uptake by a technological product (so indirectly caused by human activity).

Given that the term “CO<sub>2</sub> removal” is not further used as such in the text of the draft CEEAG (instead we read “reduction and removal of greenhouse gases”) and given that the ultimate instrument for the definition of carbon removals, the CRCM, is under construction, we are wondering of whether such a definition is necessary in the CEEAG. In any case, such definitions should be consistent among different policy instruments.

- **In § 4.3.1.2**

We suggest to add another subparagraph after 141, where the scope would include also renewable fuels of non-biological origin as alternatives to fossil fuels and as drivers of reduction of GHG emissions in vehicles.

This is consistent to subparagraphs 162 and 185, where gaseous RFNBO are suggested to contribute to a minimum blend of 20% so as to ensure the avoidance of lock-in effect in natural gas fired vehicles.