



Carbon Removal Certification Framework: what is next?

ERCST event

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Roundtable on
Climate Change and
Sustainable Transition

Where does the CRCF come from?

• Sustainable Carbon Cycles Communication (Dec 2021)

○ Promotion of **carbon farming**

- (i.e., Common Agricultural Policy)

○ Development of **CCUS** through new incentives

- **Proposal for a revised EU ETS Directive** → **Adopted in May 2023**

- ❖ The proposal increases the scope and funding of the **Innovation Fund** supported by CCfDs → Incentive to invest in CCUS.

- **Proposal for a revised Renewable Energy Directive (REDIII)** → **Awaiting publication in Official Journal**

- ❖ REDIII set a sub-target for renewable fuels from non-biological origin.

- **Proposal for ReFuelEU Aviation** → **Awaiting publication in Official Journal**

- ❖ SAF targets generate demand for **synthetic fuel based on CCU** which, therefore, complements REDIII.

○ Introduce a regulatory framework for the **certification of carbon removals**

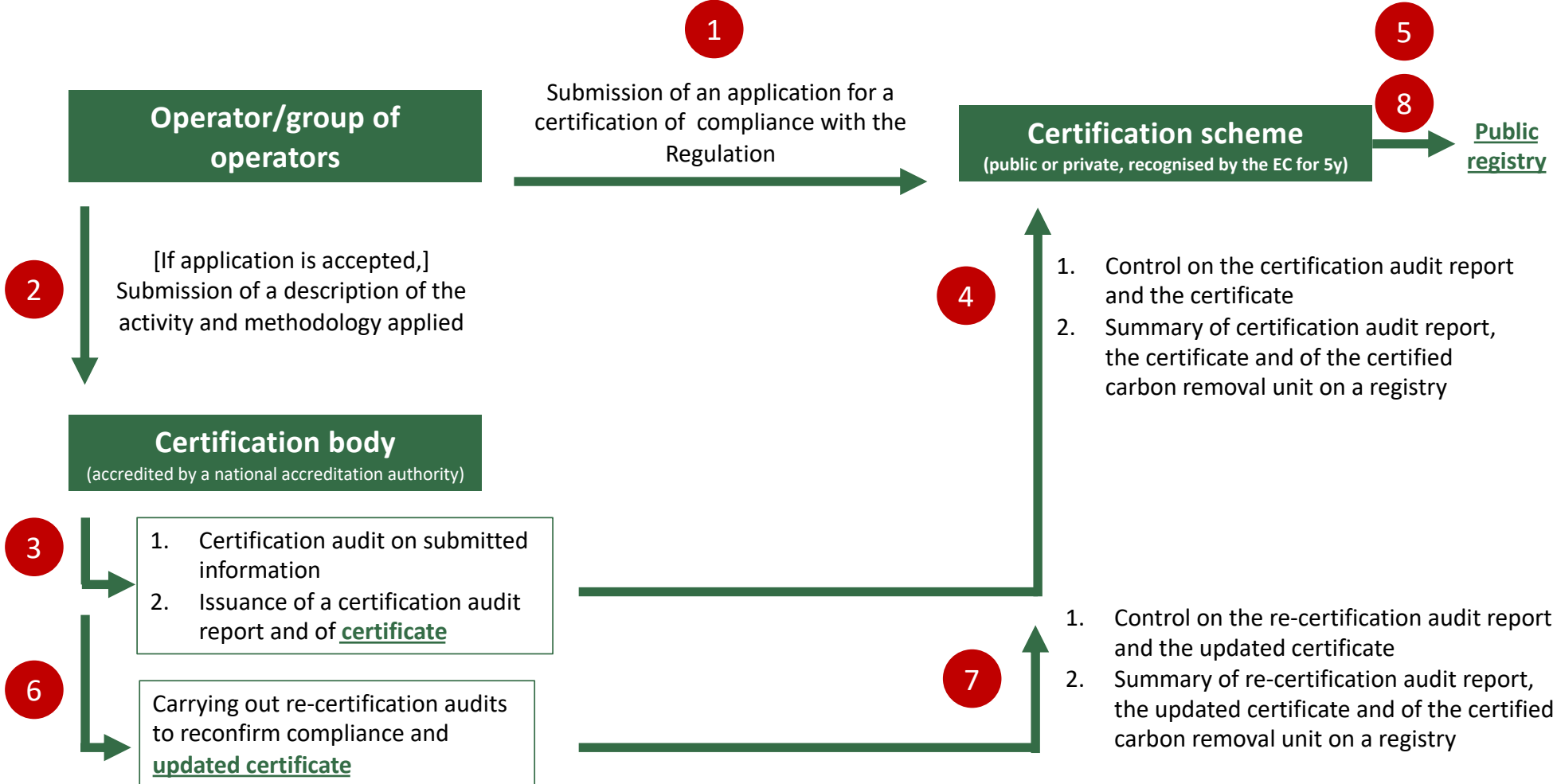
- ~~Proposal expected by the end of 2022.~~ → **Proposal published on 30 November 2022.**

- Technical challenges: non-permanence, uncertainty of estimates, lack of standardisation.

A dive into the Commission's proposal

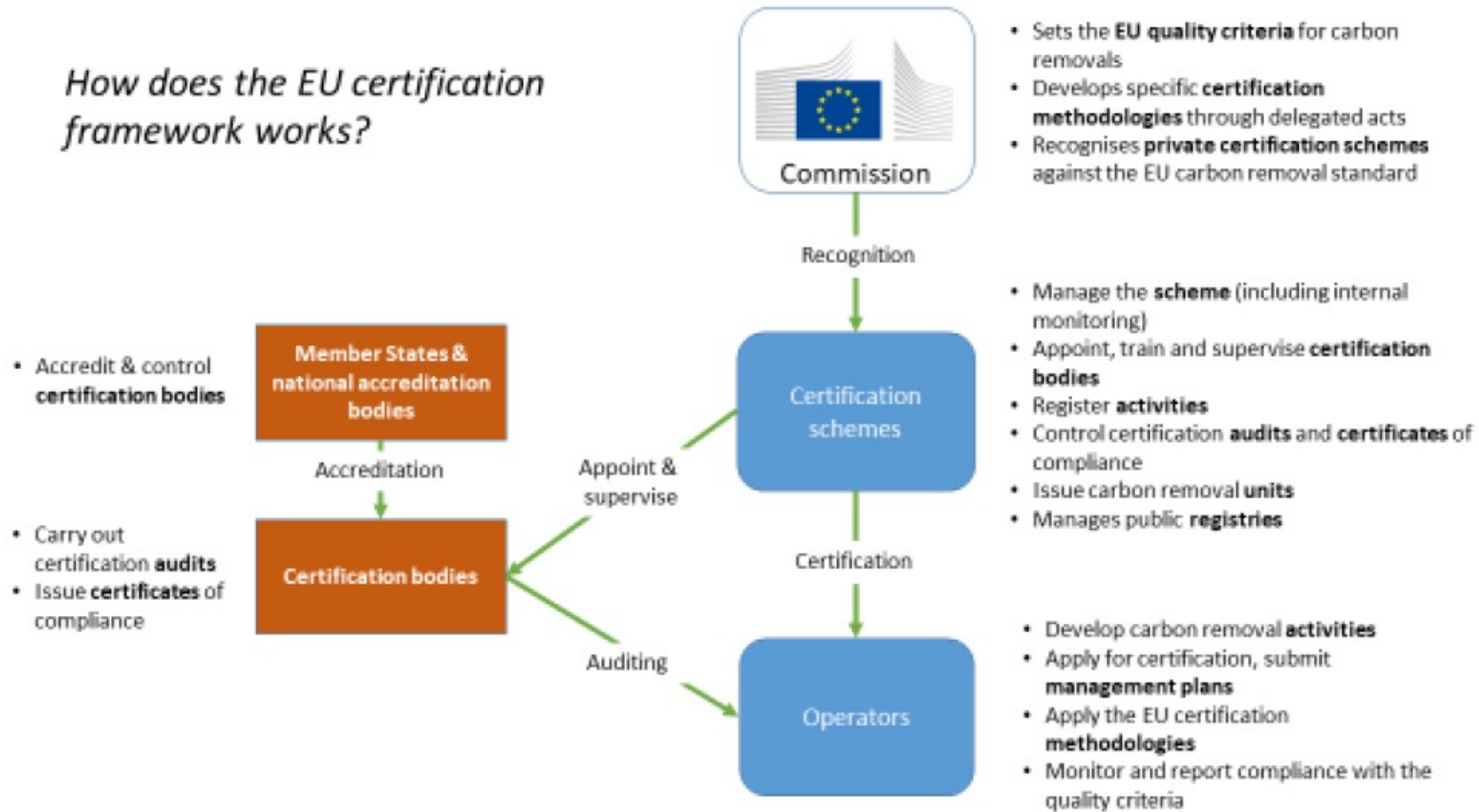
- **Regulation establishing a Union certification framework for carbon removals (CRCF)**
 - **Art. 1 – Objective:**
 - To facilitate the deployment of carbon removals by operators/groups of operators.
 - **Art. 2 – Definitions:**
 - '*Carbon removal*' = either the storage of atmospheric or biogenic carbon within geological carbon pools, biogenic carbon pools, long-lasting products and materials, and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere.
 - '*permanent carbon storage*' = a carbon removal activity that, under normal circumstances and using appropriate management practices, stores atmospheric or biogenic carbon for several centuries, [...]
 - **Art. 4-7 – QU.A.L.I.TY criterias:**
 - QUantification → Removal activities should provide a net carbon removal benefit.
 - Additionality → Removal activities shall be additional.
 - Long-term storage → "Permanet storage" is defined as lasting for several centuries.
 - SustainabillITY → Removal activities shall have a neutral impact/generate co-benefits for the EU climate objectives.

The 'certification of compliance' process – Article 9



How will the certification framework work?

How does the EU certification framework works?



Source: COMMISSION STAFF WORKING DOCUMENT. EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT Accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals. SWD(2022) 378 final

The ENVI's draft report – Main amendments (1)

Modifications in (1) the title of the Regulation and (2) definitions

Proposal for a regulation Title 1

Text proposed by the Commission

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
establishing a Union certification
framework for carbon removals

Amendment

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
establishing a Union certification
framework for carbon removals, **carbon
farming and carbon storage in products**

Proposal for a regulation Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) ‘carbon removal’ means **either** the storage of atmospheric or biogenic carbon **within geological carbon pools, biogenic carbon pools, long-lasting products and materials, and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere;**

Amendment

(a) ‘carbon removal’ means the **permanent** storage of atmospheric or biogenic carbon **for several centuries, which is not combined with Enhanced Hydrocarbon Recovery (EHR);**

Proposal for a regulation Article 2 – paragraph 1 – point g

Text proposed by the Commission

(g) ‘permanent carbon storage’ means a **carbon removal** activity that, under normal circumstances and using appropriate management practices, stores atmospheric or biogenic carbon for several centuries, including bioenergy with carbon capture and storage and direct air carbon capture and storage;

Amendment

(g) ‘permanent carbon storage’ means **an activity consisting of one or more practices or processes carried out by an operator** that, under normal circumstances and using appropriate management practices, stores atmospheric or biogenic carbon for several centuries **through geological storage or permanently bound carbon mineralisation;**

- It gives space for a broader taxonomy of removals.
- It does not further specify the definition of permanence.
- It may exclude any removals that do not rely on CCS technology.

The ENVI's draft report – Main amendments (2)

Creation of 4 different units

Proposal for a regulation
Article 2 – paragraph 1 – point o

Text proposed by the Commission

(o) 'carbon removal unit' means one tonne of certified net carbon removal benefit generated by a carbon removal **activity** and registered by a certification scheme.

Amendment

(o) 'carbon removal unit' means one tonne of certified net carbon removal benefit generated by carbon removals and registered by a certification scheme.

Proposal for a regulation
Article 2 – paragraph 1 – point o a (new)

Text proposed by the Commission

(oa) 'carbon farming sequestration unit' means one tonne of certified net carbon farming sequestration benefit generated by carbon farming sequestration.

Amendment

Proposal for a regulation
Article 2 – paragraph 1 – point o b (new)

Text proposed by the Commission

Amendment

(ob) 'carbon farming emission reduction unit' means one tonne of certified net carbon farming carbon reduction, net carbon farming nitrogen reduction or net carbon farming methane reduction benefit generated by carbon farming emission reduction and registered by a certification scheme, and separated and identified either as a 'carbon farming emission reduction unit - carbon', 'carbon farming emission reduction unit - nitrogen', or 'carbon farming emission reduction unit - methane';

Proposal for a regulation
Article 2 – paragraph 1 – point o c (new)

Text proposed by the Commission

Amendment

(oc) 'carbon storage product unit' means one tonne of certified net carbon product sequestration benefit generated by carbon storage in products and registered by a certification scheme.

- It may add complexity to the market.
- It may ensure better safeguards on activities.
- Should *carbon farming emission reduction* units be considered under the a carbon removal certification framework?

The ENVI's draft report – Main amendments (3)

Introduction of a Union registry

- Various recitals and articles throughout the Regulation.

- It could help avoid double counting.
- It could add costs to the framework.

Introduction of liability mechanisms in the certification methodology

- Article 6 – paragraph 2
“[...] 2b. An operator or group of operators shall be subject to appropriate liability mechanisms, and designate a liable physical or legal person to be responsible for addressing any reversal, including due to force majeure, at any point in time during the activity:
(a) for carbon removal activities, the liability mechanism shall be consistent with the liability mechanism set out in Directive 2009/31/EC;
(b) for carbon farming activities, the liability mechanism shall be set out and approved as part of the applicable certification methodology and ensure that equivalent carbon sequestration is generated as compensation for the reversal;
(c) for carbon storage in products activities, the liability mechanism shall be set out and approved as part of the applicable certification methodology and ensure that equivalent carbon storage is generated as compensation for the reversal;

- Clearer liability mechanisms could better mitigate reversals.

The ENVI's draft report – Main amendments (4)

Creation of Platform on Carbon Removal, Carbon Farming and Carbon Storage in Product Activities

- *Article 8a (new).*
 - *Composition: European Environment Agency; European Scientific Advisory Board on Climate Change; experts representing relevant private stakeholders, certification schemes, civil society, academia, research institute and other scientific organisations;*
 - *Tasks: advise the Commission on the technical certification methodologies and on the possible need to develop further measures; analyse the impact of the technical certification methodologies; monitor and regularly report to the Commission on trends; ...*

→ It may help the transition of information and to keep the Regulation and Delegated Acts up to date.

Post-2030 targets

- *Article 18 – paragraph 2 b (new)*
“[...] establishment of Union targets for permanent carbon removals and for land-based sequestration as an integral part of the post-2030 EU climate framework.

→ It could increase the EU's climate ambitions.

The ENVI's draft report – Open issues

- What will the certificate will be used for?
- Will it remain open to the inclusion of other types of removals?
- Methodology/ies still not dedveloped.

... What else?