

The future of the EU ETS: Carbon removals

Stakeholders Roundtable

This meeting is under Chatham House Rules/ No press.

Agenda

Date: Monday 11 March 2024

Time: 16 :00 – 17 :30 CET

Venue: Online

The revised EU ETS Directive was adopted in 2023 and should be applied in 2024. Art 30 states that by 31 July 2026, the Commission shall report to the European Parliament and the Council how negative emissions resulting from GHG gases removed from the atmosphere could be accounted for and covered by ETS, accompanied, where appropriate, by a legislative proposal and impact assessment.

In the meantime, the Commission launched a tender for study on “Issues and options for EU emissions trading after 2030¹”. The study has been commissioned to a group of consultants to support the Commission in the preparation of its strategy on the future of the ETS in the EU. The study includes questions on carbon removals. The analysis targets Phase V of the EU ETS, starting from 2031.

The EU ETS is seen as one the important decarbonisation drivers since it came into operation in 2005. However, as we approach the end of the 2020s and mid-2030, there are many issues that need to be discussed – fundamentally, whether the EU ETS is the right instrument to decarbonise as we move towards zero allowances and what architecture and governance it should take.

This session will discuss the role of negative emissions and carbon removal technologies in the existing EU ETS, and, if they were to be included, under what constraints. Considering the potential lack of liquidity in the carbon market in the future, combined with the fact that the implementation of new technology often takes longer than anticipated, carbon removals can provide flexibility for the market to operate towards the end of the 2020s and be one of the tools to support the transition. When debating the inclusion of removals under the EU ETS, a discussion on the governance framework, including institution and arrangements could be necessary.

This event is a follow-up to the ERCST’s roundtable taking place in January and is part of a process that ERCST is putting in place as an independent policy review of the Future of the EU ETS.

¹ DG CLIMA (2022): Study on Issues and Options for EU Emissions Trading after 2030. CLIMA/2022/OP/0012. Available at: <https://etendering.ted.europa.eu/cft/cft-display.html?cftId=12202> (Accessed on 16 November 2023)

16:00

Welcome

- **Andrei Marcu**, ERCST

This follow-up brainstorm session is meant to bring together a small group of stakeholders to discuss the sensitive issues for the future of the EU ETS.

Roundtable icebreakers will present views and issues relevant to the debate on the integration of carbon removals within the EU ETS, beginning with opening remarks of 5–7-minute each. An open roundtable discussion with participants will conclude the session.

The icebreakers will provide their views on:

- How important is the integration of carbon removals within the EU ETS?
- How urgent is to integrate carbon removals in the EU ETS?

16:10

Roundtable: Stakeholders position views and issues.

- **Devina Banerjee**, Carbon Gap
- **Judith Voß-Stemping**, UBA
- **Julio Fournier**, UBA
- **Liv Rathe**, Hydro
- **Mark Preston Aragonès**, Bellona
- **Rodolphe Nicolle**, EuLA

Followed by a roundtable discussion with participants.

17:30

End of the roundtable