



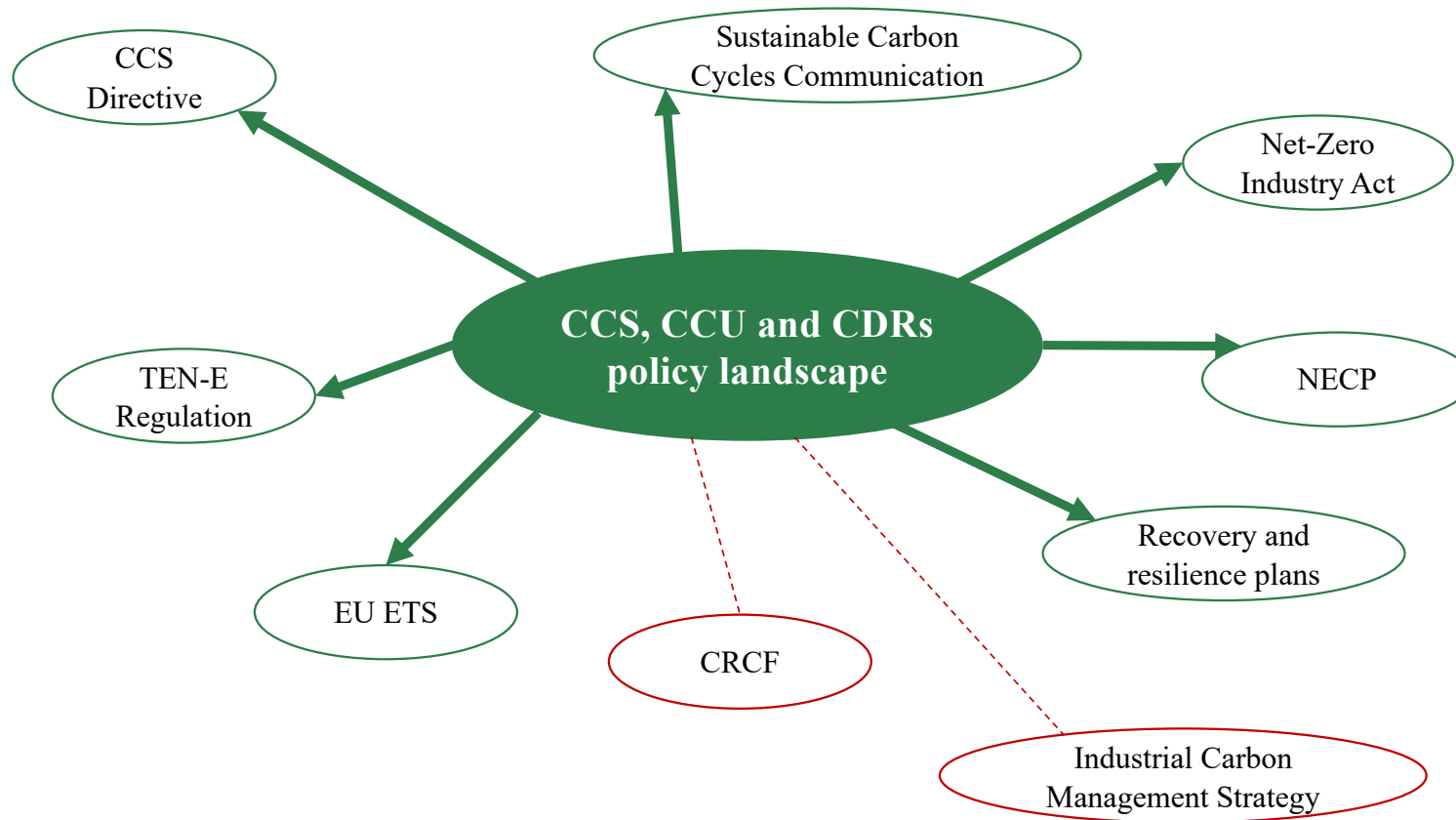
The CRCF trilogues and the Industrial Carbon Management strategy: Where are we headed?

22 February 2024 – Part 1: The CRCF trilogues

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The EU's policy landscape for CCS, CCU, and CDRs



The CRCF trilogy

	Commission Proposal (30 Nov 2022)	Parliament Position (Plenary vote 21 Nov 2023)	Council position (Mandate for negotiations of 17 Nov 2023)	Provisional political agreement (20 Feb 2024)
<u>Scope</u> <u>Title of the Regulation</u>	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Union certification framework for carbon removals	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Union certification framework for carbon removals, <i>carbon farming and carbon storage in products</i>	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a Union certification framework for carbon removals <i>and soil emission reductions</i>	The agreement extends the scope of the regulation to soil emission reductions.
<u>Definition of carbon removals</u> <u>Article 2 (a)</u>	For the purposes of this Regulation, the following definitions apply: (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;	For the purposes of this Regulation, the following definitions apply: (a) ‘carbon removal’ means the <i>permanent</i> storage of atmospheric or biogenic carbon <i>for several centuries, which is not combined with Enhanced Hydrocarbon Recovery</i> ;	For the purposes of this Regulation, the following definitions apply: (a) ‘carbon removal’ means either the storage of atmospheric or biogenic carbon <i>anthropogenic removal of or biogenic carbon from the atmosphere and its durable storage within geological, and biogenic carbon pools, in terrestrial or ocean reservoirs, or in long-lasting products and the marine environment, or the reduction of carbon release from a biogenic carbon pool to the atmosphere</i> ;	<ul style="list-style-type: none"> • The agreement maintains an open definition of carbon removals and keeps out EHR. • The definition is aligned with the IPCC.

The CRCF trilogues

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<p>Type of units (Article 2, various para)</p> <p>(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.</p>	<p>(o) ‘carbon removal unit’ means one tonne of certified net carbon removal benefit generated by carbon removals and registered by a certification scheme.</p> <p><i>(ob) ‘carbon farming sequestration unit’ means one tonne of certified net carbon product sequestration benefit generated by carbon storage in products and registered by a certification scheme;</i></p> <p><i>(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.</i></p> <p><i>(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 [...];</i></p>	<p>(o) ‘carbon removal unit’ means one metric tonne of CO2 equivalent of certified net carbon removal benefit generated by a carbon removal activity and registered by a certification scheme in its certification registry or, as appropriate, in the Union registry referred to in Article 12;</p> <p><i>(p) ‘soil emission reduction unit’ means one metric tonne CO2 equivalent of certified net soil emission reduction benefit generated by a soil emission reduction activity and registered by a certification scheme in its certification registry or, as appropriate, in the Union registry referred to in Article 12.</i></p>	<p>The agreement differentiate between:</p> <ul style="list-style-type: none"> • <u>Permanent carbon removals</u> • <u>Temporary carbon storage in long-lasting products</u> • <u>Temporary carbon storage from carbon farming</u> (which last at least 5 years) • <u>Soil emission reduction (from carbon farming)</u> (which last at least 5 years) <p>Additional agreements:</p> <ul style="list-style-type: none"> • EC will produce a <u>report on the feasibility of certifying activities</u> that result in the reduction of emissions other than those related to soils by 2026. • EC should consider the possibility of <u>allowing geological carbon storage</u> in neighboring third countries.

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<p><u>EU registry</u> No text</p> <p><u>(Various recitals and articles)</u></p>	<p><i>Reference to the Union registry in various parts of the voted text.</i></p>	<p><i>Reference to the Union registry in various parts of the proposed text.</i></p>	<p>EC to establish a common and <u>transparent electronic EU-wide registry</u> four years after the entry into force of the regulation.</p>
<p><u>Monitoring and liability</u></p> <p><u>Article 6</u></p> <p><u>Article 6.2(b)</u> 2. For the purposes of paragraph 1, an operator or group of operators shall comply with both of the following criteria:</p> <p>(b) they shall be subject to appropriate liability mechanisms in order to address any release of the stored carbon occurring during the monitoring period.</p>	<p><i>Reference to liability mechanisms in various parts of the voted text.</i></p>	<p><u>Article 6.1</u> Introduction of monitoring concept.</p> <p><u>Article 6.2(b)</u> 2. For the purposes of paragraph 1, an operator or group of operators shall comply with both of the following criteria:</p> <p>(b) they shall be subject to appropriate liability mechanisms <i>as set out in the delegated acts adopted pursuant to Article 8</i> in order to address any release of the stored carbon occurring during the monitoring period.</p> <p><u>Article 6.2b:</u> Further specifications on the and reference to other directives.</p>	<ul style="list-style-type: none"> • Introduction of the distinction between the <u>activity and monitoring periods</u> • EC to include clear <u>liability mechanisms</u> to be developed in the methodologies → Operators will be liable to address any reversals.

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<u>The use of units</u> No text	<i>No text</i>	<i>No text</i>	Certified units should <u>only contribute to the EU's NDC</u> and not third-countries NDCs and international compliance schemes. → Mentioned in the EU Green Claim Directive

Next steps:

- Provisional agreement to be submitted to Coreper (16 March) and ENVI Committee (11 March)
→ Final text: 27 March
- Formal adoption by both institutions.
- Publication in the EU's Official Journal