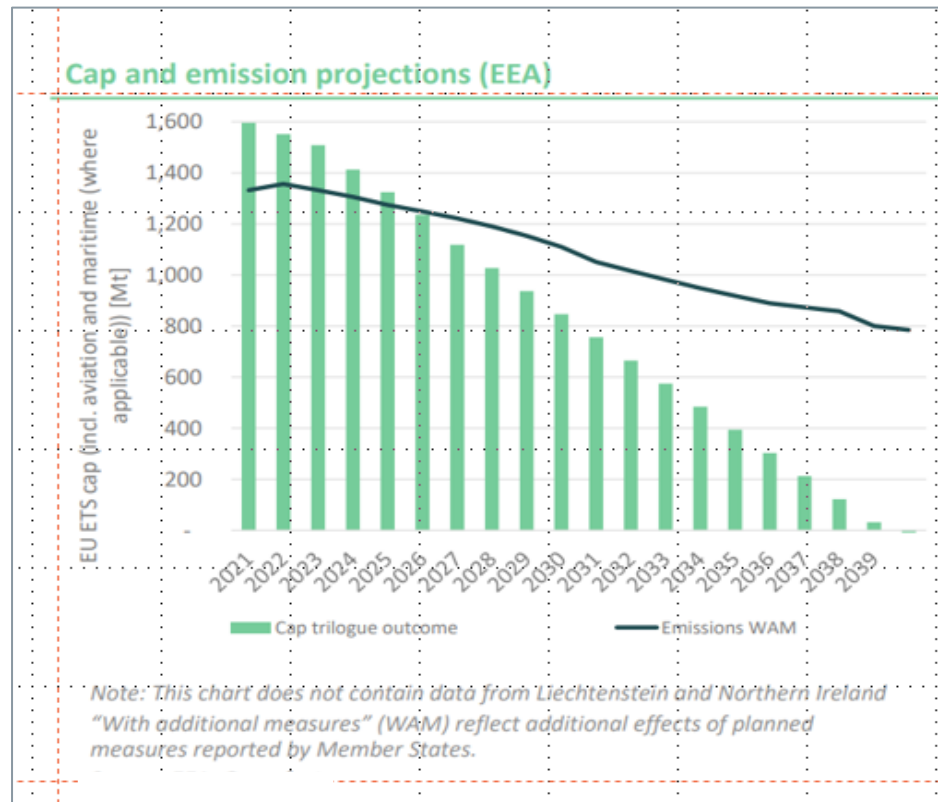


# Expected aggressive cap reduction for EU ETS by 2040 with the 90% target

Unbalanced burden between industries and non-ETS sectors likely to continue



The year when EU ETS caps =0 with different 2040 targets:  
100% 0 by 2039, 95% 0 by 2042 and 90% 0 by 2044

- Why, when and how removals (CDRs) in the ETS?
  - Likely high residual emissions in 2040 due to:
    - Slow technology development/implementation, CCS, hydrogen, biofuel, electrification are not 100% cut options
  - Aggressive ETS target impossible without flexibility as CDRs
  - Allow removal (CDRs) as soon as possible – late 2020ties
  - No subsequent ETS cap adjustment
  - Follow the CRCF **QU.A.L.I.T.Y** criteria.
  - No quantitative limitation per installation
  - First permanent CDR generated in EU + EEA.
  - Permanent and temporary CDR distinction in ETS.
  - DACCS need carrot funding - copy IRA with \$180 < per ton.
  - Establish an EU CDR registry.