

# Carbon removals in the EU and considerations for designing an integration strategy for the EU-ETS

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The future of the EU ETS: Carbon removals

Stakeholders Roundtable

11.03.2024 – 16h00 CET (Zoom)

*Disclaimer: The German Environment Agency still does not have a position on the integration of carbon removals into the ETS and with this presentation does not argue for or against the integration.*



# Dimension of carbon removals for the EU 90 % GHG reduction target

- Communication for a 2040 GHG reduction target cp. to 1990
  - Industrial Carbon Management Communication
- } Impact Assessment Report (2024)

90% GHG reduction target: (i.e. <400 Mt. CO <sub>2</sub> net negative emissions & <= 850 Mt. CO <sub>2eq</sub> remaining gross emissions)	Carbon storage (CCS/BECCS/DACCS)	Carbon capture (Storage & Utilization)	Relationship b/w LULUCF net removals & industrial removals (BECCS/DACCS)	
			LULUCF	Industrial carbon removals
By 2040	~195 Mt CO <sub>2</sub> *	~280 Mt CO <sub>2</sub> *	317 Mt CO <sub>2</sub>	62 Mt CO <sub>2</sub>
			84%	16%
By 2050	<= 247 Mt CO <sub>2</sub>	<= 450 Mt CO <sub>2</sub>	333 Mt CO <sub>2</sub>	115 Mt CO <sub>2</sub>
			74%	26 %

\* The assumptions reflect the mean values of the target scenarios S2 and S3 of the Impact Assessment.

# Considerations for designing a strategy towards integration of CDR in the EU-ETS

- Provide **clear definition** of the **integration goal(s)**
- Considering all possible **scenarios**
- Do not ignore and prioritize the role of **natural sinks**
- Limit linking possibilities
  - Set clear **CDR target(s)** and **limit their adjustment**
  - **Separate targets** for different **CDR types**
  - Limit **cap adjustment** possibilities
  - Limit use of **intertemporal flexibility mechanisms**

**Umwelt  
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Emissionshandelsstelle

**Vielen Dank für Ihre Aufmerksamkeit!**

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## Further reading (1)

- **COM/2024/63 final:** COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Securing our future Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society. Download at: [EUR-Lex - 52024DC0063 - EN - EUR-Lex \(europa.eu\)](#)
- **Purr, K.; Spindler, J. (2023):** Carbon Capture and Storage (CCS) - Contribution to the discussion on its integration into national climate action strategies. Download at: [Carbon Capture and Storage \(CCS\) - Contribution to the discussion on its integration into national climate action strategies | Umweltbundesamt \(English version\)](#)  
[Carbon Capture and Storage \(CCS\) - Diskussionsbeitrag zur Integration in die nationalen Klimaschutzstrategien | Umweltbundesamt \(German version\)](#)
- **Reise, J.; Hennenberg, K.; Benndorf, A.; Böttcher, H. (2024):** Klimaschutzmaßnahmen im LULUCF-Sektor: Potenziale und Sensitivitäten. Download at: [Klimaschutzmaßnahmen im LULUCF-Sektor \(umweltbundesamt.de\)](#)

## Further reading (2)

- **SWD(2024) 63 final:** COMMISSION STAFF WORKING DOCUMENT – IMPACT ASSESSMENT REPORT – Part 1 Accompanying the document COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Securing our future Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society. Download at: [EUR-Lex - 52024SC0063 - EN - EUR-Lex \(europa.eu\)](#)