
PRESS RELEASE

Parliament given strong negotiating mandates on CRCF and NZIA

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For immediate release

BRUSSELS, BELGIUM – Today the European Parliament voted in plenary on a variety of crucial climate files, including the Carbon Removal Certification Framework (CRCF) and the Net Zero Industry Act (NZIA). These votes send strong signals on the need for coherent climate policy which supports and manages the deployment of Carbon Dioxide Removal and Carbon Capture and Storage in an environmentally robust way.

For the CRCF (renamed Carbon Farming, Carbon Storage in Products, and Carbon Removal Certification Framework, or CFCSPCRCF), the Plenary vote endorses the ENVI Committee's proposed changes, namely by introducing three different categories (carbon farming, carbon storage in products and carbon removals) and only allowing activities which store atmospheric or biogenic carbon for 'several centuries' to qualify as carbon removals. It also confirms that these three different activities will generate distinct certificates. Some key issues remain, such as how the certificates will be used, whether biogenic sinks can be used to greenwash fossil emissions, clearer liability in the event of a reversal, requirement for carbon farming activities to have co-benefits, and restrictions on the types of claims that can be made.

With the Council having recently agreed on a negotiating mandate which weakens the original Commission proposal, particularly on the requirements for long-term storage, the Parliament will need to push and uphold its strong position as eyes turn towards the Trilogues.

The Parliament has addressed most of the significant concerns raised by NGOs on the Certification Framework, but the risk of it becoming a greenwashing tool remains. - Mark Preston Aragonès, Policy Manager, Bellona Europa

On the NZIA, the plenary vote cements the Parliament position on the need for a first of its kind obligation on oil and gas to develop storage injection capacity. Alongside this, the text also confirms a minimum of 50 Mt annual EU injection capacity target by 2030. However, the obligation being placed on "sellers" instead of the commission proposed "producers" risks introducing uncertainties which would be counterintuitive to reducing investment risks as intended by the original text.

The EP vote provides certainty around the relevance of CCS within EU climate ambition. This is also echoed in the Council's position, A cause for optimism as trilogues remain to tackle the nuances and take the text over the policy process finish line, look out for Bellona's analysis on the positions taken by European institutions and relevant stakeholders on this crucial policy file.

Bellona Europa is an international, independent and non-profit organisation that meets environmental and climate challenges head on. We are solutions-oriented and have a comprehensive and cross-sectoral approach to assess the economics, climate impacts and technical feasibility of necessary climate actions. To do this, we work with civil society, academia, governments, institutions, and industries.

The plenary vote provides confidence in the EU's climate ambition. By incorporating CCS, a viable decarbonisation pathway can be available in a timely manner. - Aravind Dhakshinamoorthy, Policy Analyst, Bellona Europa

Context

In November 2022, the European Commission proposed a Certification Framework for Carbon Removals. This proposal seeks to develop a framework for the development of methodologies which can quantify the climate benefit of various types of activities, with a focus on carbon dioxide removal. Carbon dioxide removal is necessary to counterbalance residual emissions and achieve net-zero emissions. However, the ability to monitor, report and verify how much CO₂ is being removed by such activities is currently lacking and there is a risk of overestimating their climate benefit.

The European Commission proposed the Net Zero Industry Act on 16 March 2023 in order to strengthen the manufacturing capacity of net-zero technologies in the EU. Carbon capture and storage holds distinct articles within the text which looked to tackle a key bottleneck with its uptake: storage capacity development. An unprecedented and appropriate obligation was placed on oil and gas entities in the EU to make pro rata contributions to a 50 Mtpa storage injection capacity target. The responsibility for its development, placed on entities that have the knowledge and experience with the subsurface can aptly contribute to the injection capacity target which is in line with EU net zero ambitions.

Contact:

Mark Preston Aragonès

Policy Manager

mark@bellona.org

+32 (0) 486 738 206

Aravind Dhakshinamoorthy

Policy Analyst

aravind@bellona.org

+32 486139840

Rebecka Larsson

Senior Communications Specialist

rebecka@bellona.org

+32 (0) 488 760 518

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