



November 08, 2024

**To: Permanent Representatives of EU Member States,
EU Member States attachés responsible for the Net-Zero Industry Act**

To: Members of the European Parliament

Urgent Call for Action: Ensure the Net Zero Industry Act CO2 Storage Injection Capacity Target protects EU industrial decarbonisation efforts and a Just Transition for All

The Net-Zero Industry Act Regulation as proposed by the European Commission (Article 16) sets out an annual injection capacity target of at least 50 million tonnes of CO₂ to be achieved by 2030. The target is to be achieved through an obligation placed on entities holding an authorisation as defined in Article 1, point 3, of Directive 94/22/EC. In storage sites located in the territory of the EU, its exclusive economic zones or on its continental shelf. We welcome the establishment of this EU target, as a crucial enabling factor to kick-start a European CO₂ Network, which will be essential for EU industrial decarbonisation and vital to reach its climate goals.

Europe's industrial sector is responsible for producing the fundamental building blocks of our society. Materials that are essential for constructing renewable infrastructure, providing the raw materials for our near zero-energy homes, and contributing to local and national economies across Europe providing important welfare-carrying jobs in regions where they are active. It is crucial that harder-to-abate industrial sectors are offered feasible pathways for decarbonisation, including through Carbon Capture and Storage. The absence of CCS infrastructure, including storage capacity, is a fundamental risk to EU industrial decarbonisation and climate ambition, implying massive job losses through closures and increased reliance on imports.

The undersigned to this letter, have observed increased efforts to water down this target by removing the obligation for entities contributing to storage development, and by proposals to extend the target to the EEA in the regulation text, without a corresponding increase in the size of the target. Such an

extension without adjustment carries with it substantial risks, and ***we the undersigned urge the recipient to this letter to:***

Keep the obligation as proposed, and the CO2 Storage Injection Capacity target in the NZIA of at least 50 million tonnes as an EU Target

The NZIA presents a golden opportunity to ensure appropriate development of much needed CO2 storage capacity, enabling industrial decarbonisation and a Just Transition by the retention of important welfare-carrying jobs in the harder-to-abate sector, while at the same time ensuring the proportionate contribution of Oil and Gas companies holding authorisation under Directive 94/22/EC.

As originally proposed by the EC, the EU target in the NZIA will be adjusted accordingly when the regulation has been incorporated into the EEA. We urge the EEA countries to accelerate their efforts to implement the NZIA as soon as possible, but we the undersigned are aware of the substantial delays present in EEA implementation today. We worry that an extension of the target, without implemented legislation, will introduce investment risks further delaying project deployment and our ability to reach the 2030 target set out in the NZIA.

An extension of the target to the EEA without an upward adjustment of the target would water down the target substantially, delay the overall build-out of European storage capacity, and we fear lead to a further centralisation of storage capacity in the North Sea. The EU has no automatic mandate to ensure a well-functioning market free of monopolistic tendencies and with competitive pricing in the EEA, without legislation implemented setting this out. This would not ensure a level playing field for harder-to-abate industries seeking to decarbonise with no or few other options available than Carbon Capture and Storage (CCS).

Sincerely,

Achema

Altera

ArcelorMittal

Bellona Europa

CCS Europe

CEMBUREAU

CEWEP

Clean Air Task Force

Eramet Norway

EUROFER

European Lime Association

Fertilizers Europe

Hafslund Oslo Celsio

Heidelberg Materials

Hydro

KANFA

Mo Industrial Park

Norske Skog

Norsk Industri

Oficemen

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