
PRESS RELEASE

The Net Zero Industry Act adopted: oil and gas industry now accountable for delivering pan-European permanent storage for industrial CO₂ emissions

Monday, May 27, 2024 – Brussels, Belgium - Today, the Council formally adopted the Net Zero Industry Act aiming to increase the EU's manufacturing capacity of technologies that support industrial decarbonisation in Europe.

The Regulation identifies and supports strategic net-zero technologies, including Carbon Capture and Storage (CCS), to strengthen industrial competitiveness and energy systems resilience while facilitating the green transition. With the Council's vote today, the Act has now been formally adopted and will enter into force in the coming weeks.

Bellona Europa is pleased with the adoption of the Act as it marks a decisive step towards ramping up CO₂ storage capacity development, which will be essential for making Europe's climate goals a reality. The Act comes with various measures to unlock the storage barrier, including making Member States provide transparent data on their potential to develop storage sites, as well as accelerating storage permitting.

The 50Mt CO₂ storage capacity development obligation by 2030, soon to be enshrined into EU law, is a crucial step towards solving a key bottleneck: the current lack of available CO₂ storage sites. It will also ensure that emissions are eliminated at the lowest possible cost across the EU.

"Assigning responsibility to EU oil and gas producers based on their production share is a crucial and first-of-a-kind step to force the industry to act after years of talk. These leading contributors to climate change will now bear more of the storage development costs and risks, easing the financial burden on taxpayers in Member States aiming to decarbonise key hard-to-abate industries." **Hanna Biro, Policy Advisor**

Importantly, the Regulation will instill market confidence in other key players along the value chain, such as hard-to-abate industries and transmission system operators (TSOs), reducing risks and thereby increasing their willingness to invest and making large-scale, full-chain CCS projects a reality.

"The storage capacity development obligation applying only to EU Member States, rather than to the European Economic Area, will be key for fostering industrial decarbonisation in Southern and Central-Eastern Europe by more evenly distributing CO₂ storage development across the continent, rather than a concentration of projects in the North Sea." **Michal Wendolowski, Senior Climate Technology & Policy Manager (CEE)**

Context:

The Net Zero Industry Act (NZIA) promotes strategic net-zero technologies at climate-relevant timelines. Carbon capture and storage (CCS), as one of these proposed technologies, is set to play a crucial role in EU

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.

decarbonisation efforts. While not a silver bullet solution, CCS is crucial for industrial decarbonisation and nearly all climate change modelling scenarios highlight that CCS play an important role in reaching climate neutrality at both the EU and global levels.

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