

## Net Zero Industry Act

### Joint Statement calling for a clear target for CO<sub>2</sub> injection capacity

**The signatories welcome the crucial acknowledgment of the CCS and CCU supply chain as net-zero technologies in the Net Zero Industry Act (NZIA) together with the ambitious annual CO<sub>2</sub> injection capacity target of 50 Mt by 2030. This target will serve as a positive signal for the industry, directly enabling the deployment of CCS at scale to help achieve our climate goals.**

**The signatories wish to underscore the importance of adopting a whole CO<sub>2</sub> value-chain approach.** This will be crucial to prevent discouraging investments and avoid potential increases in costs that might hinder rather than encourage investments in net-zero technologies, ultimately impacting the competitiveness of the EU. To create such a market, the NZIA should tackle the whole CO<sub>2</sub> value chain, **which should be supported by ambitions in terms of CO<sub>2</sub> capture and transport capacity, (multimodal and cross border) as well as storage infrastructure,** and be able to promote investments via targeted incentives (e.g., measures supporting demand). In this context, Member States would play a decisive role in allowing CCS deployment (e.g., issuing adequate number of permits), helping to underpin investment in sufficient CO<sub>2</sub> capture via boosting demand and enabling the CCS value chains to be developed, reducing stranded asset risk.

**Nonetheless, prior to the plenary vote, the industry would like to express its concerns regarding the decision taken by the ITRE Committee to impose a mandatory contribution to CO<sub>2</sub> injection target in Article 18 to entities selling crude oil, petroleum products or natural gas in the Union.**

There are multiple reasons, both logistical and practical, why such extension of the scope would entail significant negative side-effects on the EU market:

- The obligated parties foreseen by the ITRE Committee's proposal are operators **that lack the technical resources and expertise needed to establish CO<sub>2</sub> storage infrastructure and make injection capacity available, with the full confidence of ensuring permanent and safe CO<sub>2</sub> storage.**
- Member States would be faced with the **complex task of identifying and communicating to the Commission the considerable number of suppliers** in the market (e.g., gas stations, retailers, utilities) (re-)selling crude oil, petroleum products or natural gas in the EU, making this process practically impossible to implement.
- Each day, **energy products consignments are traded numerous times** among market players prior to reaching their final point of consumption. The proposal in the ITRE report would likely lead to multiple counting, resulting in higher costs for consumers and expensive redundancies in contributions to the target.

The EU industry is fully committed to deploy the EU's injection capacity necessary to reach the CO<sub>2</sub> target. Incentivising best efforts, providing financial support and guaranteeing efficient and clear legislation will be key factors to the achievement of the target. Therefore, we believe amending the scope of Article 18 as proposed by the ITRE Committee does not improve the initial proposal and

could ultimately hinder the achievement of the injection capacity target while creating further uncertainty in the market.

To that end, the signatories urge policy makers not to set the obligation on gas and oil suppliers for the reasons set out above, while ensuring a swift implementation and adoption of enabling measures necessary to meet the prescribed injection capacity target. This includes the issuance of an adequate number of licenses, the provision of sufficient CO<sub>2</sub> transport infrastructure and captured volumes, and a harmonised regulatory framework enabling among others the cross-border transport of CO<sub>2</sub>, as well as the introduction, both at the EU and national level, of support mechanisms to reduce risks born by private project developers, especially in the initial stages, and to promote investments where the market does not provide sufficient support.

**Signatories:**



***Eurogas** is an association of 76 companies and associations. Our members cover gas wholesale and retail gas markets, and the distribution of natural gas, biomethane and hydrogen. Eurogas also works with companies active on gases for vehicles, and on value chain methane emissions management. Eurogas is engaged in accelerating the transition to carbon neutrality through dialogue and advocacy about optimising the use of gases.*



*The **European Energy Retailers (EER)** is a non-profit network of national associations representing independent energy & solution providers, aiming at enhancing cross-border competition in European energy markets and achieving fair market conditions for new entrants offering energy and innovative services & solutions for the benefit of consumers.*