A picture containing fruit

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**21 December 2022, Brussels**

# FEAD questionnaire on the Commission’s proposal to establish EU rules for the certification of carbon removals

1. **Do you agree with the definition of removal activity?**
2. **Would you like to have a clearer reference of what activities could be accepted**, especially in relation to (ongoing) CCU projects
   1. By adopting an indicative list?
   2. By defining what are ‘long-lasting products or materials’?
      * NOTE: implementing act for ‘permanently chemically bound in a product’ foreseen under revised ETS (Art. 12(3b)).
3. **Do you think that the relation with the EU ETS is clear?**

* Awaiting the final text after trilogues
  + - Recital 13 ETS Directive (revised): GHG that are not directly released into the atmosphere should be considered emissions under the EU ETS and allowances should be surrendered for those emissions *unless* they are stored, or permanently chemically bound in a product. Obtaining a carbon removal certificate for those emissions is foreseen in the same recital.
    - New definition of ‘emissions’ only refers to the release of GHG and no longer ‘into the atmosphere’ (Article 3(b) ETS Directive)
    - Article 12(3b) ETS Directive determines that the obligation to surrender allowances does not arise for captured and utilised (permanently chemically bound) emissions.
* Possible interpretations of the relation ETS/carbon removals:
  + - From the points above, we understand that stored/utilised emissions are not excluded from the scope of the EU ETS and only exempted from surrendering allowances
      * All activities falling under the EU ETS cannot benefit from the carbon removal certifications scheme according to Art. 1(2) of the COM’s proposal for a Regulation on the certification of the removals.
      * The reference to carbon removal certifications in Recital 13 ETS Directive is contradictory.
    - We understand that captured/utilised emissions are completely excluded from the EU ETS scope
      * The reference to the EU ETS in Art. 1(2) of the COM’s proposal on the carbon removal Regulation makes no sense, especially the exemption of sustainable biogenic emissions.

1. **What is your supported option in relation to the linkage ETS – carbon removal certificates?**
2. Following the current trend, this Proposal for a Regulation is very general, leaving the actual regulation to delegated/implementing acts *in close consultation with the* *Expert Group on Carbon Removals and all other interested actors*. This affects to essential elements such as the certification schemes (Art. 11(5)) and the certification methodologies (Art. 8). **Do you agree with this approach, or are there (specific) points you would like to be further specified in the Regulation itself?**
3. The financing of such certificates is not determined, leaving it to the development of a voluntary carbon market. **Would you like to have more clear rules/guidelines for this voluntary market** (e.g., reference contracts, reference (daily) market price, (clear and structured) trading and post-trade infrastructure)?
4. Considering the additionality rule in Art. 5, especially that the carbon removal activity has to take place due to the *incentive effect of the certification*, **do you think that there are sufficient incentives / there is a need to promote demand** (e.g., through guidelines for companies on the use of such certificates?)
5. **Please provide me with examples you would like to see covered by this Regulation.**

* In the case of organic recovery of biowaste, do you support a restriction to cover only composts that meet the standards of the EU Fertiliser Regulation 1009/2019?

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