

EuLA Feedback on the Commission's Delegated Regulation to lay down the requirements for considering that greenhouse gases have become permanently chemically bound in a product

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EuLA, the European Lime Association, represents European non-captive lime production through its 24 covered Member States (companies & national associations). Lime is one of the essential building blocks of modern industry. It is used in many essential processes, such as making construction buildings, producing iron and steel, treating contaminated land, purifying drinking water, making sugar and even cleaning gases from powers stations. Lime and its derivatives are also important additives for making paper, glass, and agricultural products.

Summary

- Eula advocates for the principle that emissions pricing should be applied at the point where emissions are released into the atmosphere.
- Eula emphasizes the necessity for operators to have the ability to demonstrate that captured CO₂ will remain permanently sequestered in products throughout the entire value chain, including at the end-of-life stage.
- Precipitated Calcium Carbonate (PCC), like any form of calcium carbonate, should be subject to an equitable treatment. Incinerators processing calcium carbonates must report their "process emissions" in the same manner as any cement or lime producer and be held accountable for these emissions.

EuLA welcomes the process of defining the conditions under which captured CO₂ can be considered permanently sequestered in a product, particularly the recognition of mineralization as a robust process that embodies CO₂ in a stable product. EuLA strongly supports the need to set conditions consistent with the carbon removal certification framework. Clear rules are essential for guiding the development of business cases; however, regulations should also aim to encourage innovation in CO₂ utilisation.

Scope of the Commission's Empowerment

The revised Article 12.3b of the EU ETS Directive establishes that emissions of greenhouse gases (GHGs) are exempt from surrendering obligations if they are captured and utilized in a manner that results in their permanent chemical binding within a product, thereby preventing their release into the atmosphere during normal use and post-product life activities. This provision requires the Commission to adopt

delegated acts supplementing the ETS directive, detailing the criteria for GHGs to be recognized as permanently chemically bound.

The Commission is empowered to specify the conditions under which GHGs are deemed permanently chemically bound in products. Article 12.3b wording suggests that any scenario meeting these conditions should lead to an exemption from declaring the reused GHG quantities.

Consequently, the Delegated Act under development should outline a process for operators of installations regulated by the EU ETS directive to deduct from their GHG emissions any amounts of GHGs that are permanently chemically bound in a product, ensuring they remain non-atmospheric during normal usage and beyond the product's lifespan. The annexed list in the Delegated Act should be viewed as illustrative rather than exhaustive.

For this process, EuLA proposes that the Monitoring and Reporting Regulation should determine the necessary data/format for deducting permanently bound GHGs from the emissions of the originating installations. This deduction must be verified by ETS auditors as part of the annual reporting cycle to the Competent Authority, applying to the principle of subsidiarity.

Normal use and end of life

EuLA understands that CO₂ must remain sequestered during the end user's intended use of the product until it enters the end-of-life phase. However, the regulation should also avoid double counting. If waste is reused for example as fuel or is decomposed during a combustion process such as incineration, the CO₂ generated by this operation must be accounted for by the operator of this combustion unit; for industrial and municipal waste, hopefully starting by 2028.

Mineral carbonates possess a robust chemical fixation capability, ensuring the potential for permanent carbon storage. This compound, renowned for its stability, has endured in nature for millennia, affirming the inherent capacity for CO₂ sequestration by producers. The outcome is a durable, CO₂-binding product of enduring quality. Although the normal use for PCC is paper, it is also used in applications such as plastics, rubbers and paints.

Normal use (such as for paper) does not release the CO₂ bound in the PCC. The normal end of life of paper is its recycling (circularity). In 2020, 85% of PCC applications were paper, with a recycling rate of 74%.¹ This means that most of the GHG sequestered in PCC will not eventually be released into the atmosphere. Only a very limited amount of CO₂ might be released in relation with papers ending in the material feed of an incinerator. In this case, the release of CO₂ due to the potential decomposition of its mineral content must be declared and accounted for by the operator hopefully as from 2028.

¹ Calcium Carbonate Association Europe, 2022

In conclusion, determining the various scenarios in which CO₂ can be considered permanently captured in a product without the risk of future release is a highly complex issue. However, it is evident that mineral carbonates, such as PCC, are currently subjected to potential levies despite their ability to permanently bind CO₂. This needs to be addressed to ensure fair treatment and support for innovative CO₂ sequestration technologies.

Annex. Indicative list of products where the GHG is permanently bound

EuLA suggests the following addition to the Annex which should be indicative:

- a) carbonated aggregates used unbound or bound in mineral based construction products;
- b) carbonated cement constituents used in concrete or other cement-based products;
- c) carbonated concrete, including blocks, pavers or aerated concrete;
- d) carbonated bricks or tiles
- e) PCC (as a percentage of the national recycling rate)
- f) Carbonated calcium silicate masonry units

We urge the Commission to consider incorporating these additions to not only ensure that current market products with significant CO₂ sequestration capabilities are recognized, but also encourage further advancements in carbon capture and utilization technologies.

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