



ROYAL NORWEGIAN MINISTRY OF
CLIMATE AND ENVIRONMENT

The Minister

Commissioner Wopke Hoekstra
DG CLIMA
European Commission
Brussels
Belgium

Your ref

Our ref

Date

24/552-

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Accounting for carbon dioxide removals (negative emissions) under the EU climate legislation

Dear Commissioner Hoekstra,

Let me start by congratulating you on the recent Communication on the climate target for 2040 and Strategy for industrial carbon management. We have noted the crucial role you foresee for carbon dioxide removals in the years ahead. I contact you to raise an issue of utmost importance in this regard.

With the Commission's current proposal to change how negative emissions can be accounted for under the EU Effort Sharing Regulation (the ESR), the incentives for investments in technological removals are greatly reduced at a crucial point in time. We risk postponing the development of important new technologies, delaying our common efforts in the fight against climate change.

The Paris Agreement allows for "negative emissions", both natural and technological. Technological negative emissions are typically in the form of capture and long-term storage of CO₂ of biological origin (BECCS) but can also be in the form of direct air capture (DACCS). Any captured and long-term stored CO₂ can be deducted when calculating a state's total emissions under the Paris Agreement.

According to our reading, the ESR, which Norway takes part in, allows for negative emissions.

We realize that preamble point 17 of the 2023-amendments to the ESR states that the EU will analyse how carbon removals can be accounted for under Union law after the proposed carbon certification scheme has entered into force.

Norway is fully in support of this initiative to analyse how carbon removals should be accounted for. However, the question is how to account for removals until the upcoming analysis is in place. Our understanding of how negative emissions can be accounted for under the ESR is consistent with regulation (EU) 2020/1208. Norway cannot see that there is anything in the EU climate law or in the ESR preventing the accounting of negative emissions.

The reason for this is that the ESR emissions are calculated according to the following formula, cf. regulation (EU) 2020/1208 Annex XV:

- “ESR emissions *equals* total emissions *minus* ETS emissions *minus* civil aviation emissions *minus* net emissions from LULUCF”.

In other words, as long as the total emissions allow for negative emissions, by extension, the ESR will also allow for negative emissions, regardless of preamble point 17 in the ESR.

Norway’s initiative to start CCS activities at two different locations in Norway, cf. Project Longship,¹ was based on the understanding that the negative emissions would be accounted for under the ESR. The project will according to plan be in operation already in 2025 and this issue is therefore extremely urgent for Norway.

However, the Commission distributed in December 2023 draft amendments to regulation (EU) 2020/1208 with a new element in the formula specifying how emissions under the ESR are to be calculated. The new formula reads as follows:

- “ESR emissions *equals* total emissions (**excluding negative emissions**) *minus* ETS emissions *minus* civil aviation emissions *minus* net emissions from LULUCF”

This new formula removes the government’s incentives for carrying out BECCS-projects to meet its target under the ESR.

Norway’s understanding is that the Commission wants to apply the precautionary principle until the certification framework for carbon removals (CFCR) has been adopted, i.e. to avoid any unintended negative effects, for instance on biological diversity.

However, both Norwegian projects include biological matter from municipal waste. This source of biological matter should not be seen as controversial, and we do not see any need

¹ <https://ccsnorway.com/the-project/>

to await the carbon certification scheme before allowing for these negative emissions to be accounted for under the ESR.

If we are prevented from taking these negative emissions into account under the ESR, Norwegian emissions under the ESR will be almost 1.2 million tonnes higher in the period up to 2030 than in our projections, jeopardising the fulfilment of the Norwegian target under the ESR. This is the sum of the expected annual removals from Celsio (200.000 tonnes/year over four years) and Norcem Brevik (60.000 tonnes/year over five years). The proposed changes by the Commission will also constitute a disincentive for the Norwegian government to prioritize measures that will help CCS becoming a more competitive climate mitigation tool. From our perspective, any CO₂ that can be counted as zero when emitted, should by extension be counted as negative when permanently stored.

We support that the accounting of negative emissions is assessed after the carbon certification scheme has been adopted, perhaps even making negative emissions part of the EU ETS. However, pending any future clarification, it should be possible to account for negative emissions under the ESR. We are available for discussing alternatives as to how negative emissions can be accounted in the short term, before the upcoming analysis is finalised and a long-term solution is found.

Yours sincerely



Andreas Bjelland Eriksen