

Bioenergy Europe's feedback on the proposal establishing a Union certification framework for carbon removals

Bioenergy Europe welcomes the European Commission's proposal for a Carbon Removal Certification Framework (CRCF) put forward in November last year with the aim to develop a trustworthy system to quantify and valorise removals and achieve climate neutrality by 2050. The proposal outlines the start of a process, and we support a sound and harmonised governance framework that is much needed for this essential sector. There is way too much fragmentation in voluntary space regarding carbon certification – and having a scheme developed at the EU level will provide greater certainty, transparency, and clarity for the industry. It is also a chance for the EU to set the standard and lead the way in establishing a world-leading carbon removal certification framework that could be used as a blueprint across the world. Bioenergy Europe also welcomes the EU Commission's proposal for the certification of carbon removal that allows for a clear differentiation between fossil and renewable biogenic carbon.

However, as it is right now, the proposal requires further improvements to ensure that the QU.A.L.I.TY (Quantification, Additionality and baselines, Long-term storage, and Sustainability) criteria produce reliable and high-quality net removals.

- Cost-effective and permanent removals can only be delivered through transparent operations and procedures (optimal monitoring, reporting and verification). Yet, the main purpose of the certification should be the promotion of carbon removals, while the certification activity itself must not become unreasonably complicated. The proposal should minimize the administrative burden for business, amongst other things, by developing standardized approaches for different technologies. The Commission should also not underestimate the administrative requirements this new framework will entail and the necessary additional staff to support it in order to avoid the problems encountered with the RED and RED II implementation. This is all the truer in the case of technological removals for which the cost of the investment and operation of equipment guaranteeing removals is so high that without a framework enabling the reward of those investments they will not materialize. This must be based on clear indications and guidelines regarding specific types of removal technologies.
- The proposal properly acknowledges that providers of carbon removals face barriers to access finance, but it does not adequately cover all aspects of insufficient funding. There is no mention of the incentive/market framework/business models, especially for engineered/technology-based carbon removals (or at least nothing besides the EU Innovation Fund). The proposal seems to indicate that the certification mechanism itself will be a sufficient incentive to carry out removals and that the Voluntary Carbon Market will provide all the demand and hence the level of remuneration needed. The development of support schemes, such as Carbon Contracts for Difference, will also be as - if not more important for the development of these technologies.
- Concerning the Commission's delegation power that is at the heart of this proposal (as all the main criteria stemming from the QU.A.L.I.TY architecture will be provided through delegated acts in virtue of article 8), resorting to delegated acts does not by itself increase the operational reliability of the scheme. Delegated acts, by their nature, are only supposed to amend or supplement the non-essential elements of the legislation to allow technical

elements to be addressed. However, many of these questions related to Q.U.A.L.I.T.Y are fundamental questions about how the certification system should be designed and structured and therefore must be addressed directly in primary legislation. The proposal also foresees several delegated acts setting out the certification methodologies for various carbon removal activities (e.g., for permanent removal, carbon farming and carbon storage products, Annex II). In addition, the proposal foresees implementing acts (e.g., to set out rules for the certification of carbon removal activities, for the governance of certification schemes and for the set-up and management of public registries of carbon removals). These will not only be technical in nature but will include issues of a political nature, which normally would be subject to the ordinary legislative process. Therefore, in our view, the mandates of the Commission should be specified in the Regulation in such a way that the inclusion of potentially political aspects of it into the secondary legislation is brought down to a minimum. Also, Article 8 should be complemented with guarantees that the regulation does not retroactively affect already established contracts or that there is a transition period for existing projects. This risk of retroactivity applies especially to biomass plants where operation is based on raw materials and their procurement contracts and where retroactive implementation of the criteria established by the Commission proposal would undermine the project's financial equilibrium.

- Through this proposal, the European Commission is setting a 'voluntary framework'. For BECCS, the proposal refers to the zero rating of biomass under the EU ETS Directive and the sustainability criteria in the Renewable Energy Directive. It is important from a 'better regulation' point of view, that this regulatory coherence is maintained. The EU ETS text also includes: *"By 31 July 2026, the Commission shall report to the European Parliament and to the Council on the following, accompanied, where appropriate, by a legislative proposal and impact assessment: (a) how negative emissions resulting from greenhouse gases that are removed from the atmosphere and safely and permanently stored could be accounted for and how these negative emissions could be covered by emissions trading, if appropriate, including a clear scope and strict criteria and safeguards to ensure that such removals are not offsetting necessary emissions reductions in accordance with Union climate targets as laid down in Regulation (EU) 2021/1119"*. From the point of view of investors certainty, the potential future interplay/linkages of the proposal carbon removal certification and the EU ETS should be clearly hinted at.

In addition to the above considerations, we would like to outline the following issues that should be integrated in the EU final document:

Definition of the notion of "permanence" is needed to enable a due recognition of biochar.

Within the current proposal, the notion of "permanence" is exclusively reserved for carbon removal methods that have an integrated governance with the European CCS Directive. While this approach is suitable for Bioenergy Carbon Capture and Storage (BECCS) and Direct Air Carbon Capture and Storage (DACCs), it closes the door to processes such as biochar carbon removal (BCR) and other novel solutions that are under development today. Therefore, the principles that are a prerequisite for a "permanent" removal should be clarified, without specifying which carbon removal techniques merit the assessment and hence the label.

In the impact assessment report, we can read that the principles that define the "permanence" status include two key points: i) certainty in quantification, and ii) a corresponding liability regime or

insurance mechanisms to cover reversals (during and ex-post). If applicable, such principles should also allow for “permanent” removals within other carbon pools and to grant the “permanent” status to other carbon removals methods, in particular the one of biochar. Research into the benefits of biochar is ongoing, and studies have already shown it can help reduce greenhouse gas emissions by sequestering carbon in the soil. In addition, a growing scientific consensus suggests that 75-80% of biochar consists of highly stable aromatic carbon rings with a durability of thousands of years. This means that BCR represents a durable and permanent CDR technology that can sequester carbon for thousands of years. Hence, we urge the European Commission to actively advance the necessary liability frameworks in order to grant the status of “permanence” to all CDR methods that credibly allow for this label. This is all the more that the Commission’s own impact assessment already included a detailed analysis of biochar that now should be taken into consideration, to initiate works on a liability framework to allow for its categorization as permanent carbon removal.

Sustainability criteria and needed harmonization with existing legislation.

Article 7 refers to a sustainability criteria structure to be defined in a separate delegated act pursuant to Article 8. Recital 15, that supports article 7, specifies that *“those sustainability requirements should, as appropriate, and taking into consideration local conditions, build on the technical screening criteria for Do Not Significant Harm concerning forestry activities and underground permanent geological storage of CO₂, laid down in Commission Delegated Regulation (EU) 2021/213928 [Taxonomy Regulation], and on the sustainability criteria for forest and agriculture biomass raw material laid down in Article 29 of Directive (EU) 2018/2001 (...)”*.

In our view, the carbon removal activity in itself should be considered as one contributing to the fight against climate change and hence, to maintain consistency between different legislations, Article 7.1 should use the same wording as in Article 3 of the Taxonomy Regulation (EU 2020/852). That means that carbon removals activities should above all respect the principle of “no significant harm” to the environment instead of much more advanced impact and broader (“=sustainability”) criteria.

As some of the removals are related to the bioenergy production, it would be imperative that no overlapping or conflicting requirements are introduced, and that the requirements in this regard would be those already in place for sustainable bioenergy production and removals in RED. It is paramount to minimize additional administrative burdens via harmonization with frameworks such as the Renewable Energy Directive. It is also important not to lose focus on the purpose of the legislation. While rewarding co-benefits is an interesting option, requiring them as a prerequisite is a significantly higher standard to meet that could severely constrict the potential for many projects. We should strive to have as much coherence with the existing legislation and therefore we suggest harmonizing this framework with other EU policies to prevent a situation where the CDR market standards are much higher than what already characterizes a very ambitious EU sustainable finance framework.

CONCLUSION

In summary, the CRCF represents an opportunity for building the right policy framework that will underpin investments in both natural and industrial carbon removal (e.g., BECCS, DACS and BCR). With this in mind, we welcome a discussion on how certified industrial carbon removals will be incorporated under the EU’s 2040 GHG emission reduction target and the underlying scenarios.

In addition, it is primordial to encourage a wide recognition of the EU framework via its adoption by internationally active certification schemes. Therefore, the EC should advance the harmonisation of removal certifications beyond European borders, while acknowledging opportunities for private contributions within the emerging Article 6 framework at the UNFCCC. We would like to see in the future the possibility for projects based outside the EU to apply under the voluntary EU certifications

scheme. While such certificates may need to be treated differently for the purpose of inclusion in a registry, this would speed up the process of harmonisation beyond EU borders and boost these emerging markets.

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[Bioenergy Europe](#) is the voice of the European bioenergy industry. It aims to develop a sustainable bioenergy market based on fair business conditions. Founded in 1990, Bioenergy Europe is a non-profit, Brussels-based international organisation bringing together more than 40 associations and 157 companies, as well as academia and research institutes from across Europe.