

EFET response to EU Commission consultation on restoring sustainable carbon cycles



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The European Federation of Energy Traders (EFET)¹ welcomes the opportunity to provide our comments to the Commission consultation on restoring sustainable carbon cycles.

Carbon removals from forests, agricultural practices or engineered solutions will play an important role in achieving climate neutrality by 2050. Up to now, policymakers in Europe have paid too little attention to this topic. Therefore, carbon utilisation and the development of a regulatory framework for the certification of carbon removal technologies will be crucial and should be developed and implemented in the short-term.

There are novel technologies available, which can either enable carbon sinks, or reduce CO₂ emissions from standard industrial installations or by integrating agricultural emissions. A technology-neutral approach should be followed, based on the amount of carbon captured, mitigated or used. This will require a corresponding certification methodology that allows the tracking and monetisation of environmental benefits. Such a certification system needs to be flexible enough to cater for various carbon value chain processes. This should include the full breadth of both technology-based and nature-based solutions available.

Our recommendations are as follows:

1. The EU ETS is Europe's central instrument to reach climate goals. The respective price for EUAs has become a benchmark for carbon abatement across Europe. For this reason, EFET see a benefit to the integration of Carbon Dioxide Removal technologies (CDR) into the EU ETS, as far as practicable, through transparent and verifiable "CDR certificates" or "negative EUAs".
2. We see a need to take a broad approach. Therefore, both technical (BECCS, DACCS) and natural solutions are needed.
3. We see a need to define a framework for credible removals.
4. The European Union should use all CDR options available to reach the EU objective of climate neutrality.
5. CDR should be implemented as soon as possible – an optimal solution would be if they could still be integrated into the Fit-for-55-package.
6. The EU should build on established standards for a regulation and governance structure.
7. The EU should develop its frontrunner position and ensure global compatibility.

¹ The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org