

CATF Comments on the EU 2030 Climate Plan

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The Clean Air Task Force (CATF), a climate and energy research and advocacy organization present in the US and Europe, welcomes the European Commission's climate ambition, leadership on the issue, and pursuit of policies to decouple greenhouse gas emissions from economic growth. CATF applauds the European Commission for its plans to increase the ambition of the EU's 2030 climate goals to ensure carbon neutrality by mid-century. CATF is grateful for the opportunity to provide feedback and to contribute to the assessment of how to increase the 2030 EU emissions reductions in a responsible way.

One of the key takeaways in the Intergovernmental Panel on Climate Change's (IPCC) 2018 Report on Global Warming of 1.5C, was that the sooner emissions can be reduced, the better the chance at mitigating the worst effects of climate change. As such, increasing climate ambition to achieving at least 55% of emissions reductions by 2030 is welcome. CATF is hereby offering recommended priorities for decarbonization through 2030, policy recommendations for realizing these priorities, and reflections on the role of EU international cooperation.

1. Recommended Priorities

While increased ambition is welcome, it must translate into sufficient action and emission reductions as a result of targeted and effective policy-making and market creation.

On the road to 2030, the EU should aim to devise policy consistent with creation of a zero-carbon energy system and coupling sectors to allow for zero-carbon integration of electricity, industrial production, and transportation.

The IPCC argued that **all clean energy technologies are necessary** to reduce emissions to net-zero by mid-century. Wind and solar have made important strides in early deployment, but much more is needed. Furthermore, additional advanced decarbonization technologies will also be necessary for reaching net zero. These include but are not limited to:

- hydrogen from various clean sources including processes that utilize carbon capture
- carbon capture to decarbonize energy-intensive and hard-to-decarbonize industries
- advanced nuclear fission and fusion technologies
- geothermal
- carbon removal technologies.



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Policy should aim at reducing and removing barriers to the at-scale deployment of advanced decarbonization technologies to create optionality to maximize the chance of reaching decarbonization targets, enable decarbonization at lowest cost, and spur global technology access. Most advanced energy technologies that are available today but not widely deployed, commence making significant contributions to emissions reductions by 2030 in most climate neutrality consistent models. Many also have significant lead and planning times until commencement of operation. Efforts to promote the deployment of additional advanced decarbonization technologies must be pursued while continuing the at-scale deployment of renewable energy and energy efficiency.

The EU currently constitutes the largest gas importer in the world and one of the largest oil importers, and EU government analysis show these fuels are likely to still provide a significant amount of energy in 2030. As such, **priority must be placed on reducing the greenhouse gas emissions along their value chain**, both within the EU border and in producing countries.

2. Key policy recommendations:

Optimize the EU ETS in line with the new 2030 target and utilize the proceeds for commercial scale demonstrations including the deployment of advanced energy technologies such as carbon capture and hydrogen. This would complement the Innovation Fund's objectives while ensuring further, targeted availability of funding for these technologies to underpin the EU's recovery and just transition goals.

Sustained financial support such as grants and dedicated demonstration programs for carbon capture and storage projects and clean hydrogen production demonstration projects, several of which appear to be gaining traction already (*e.g.*, NorthH2, Porthos, and supporting infrastructure projects such as Northern Lights). Financial support (*e.g.*, clean hydrogen fuel purchase cost assistance, perhaps in the form of ETS credits or other schemes) for large demonstrations of clean hydrogen use in heavy industry and heavy transportation.

Planning, development, and financial support for CO₂ transportation networks and storage infrastructure, hydrogen storage and delivery infrastructure, including where appropriate conversion of existing natural gas systems to increasing hydrogen content over time.

Green procurement schemes that support the clean production of carbon-intensive goods including cement and steel.

Transparent assessments of supplied hydrogen carbon intensity, including fair treatment of methane emissions resulting from all stages of fuels production and use, with proportionate allocation of clean hydrogen benefits and incentives.



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Policies for reducing greenhouse gas emissions along the oil and gas value chain, with a focus on methane and black carbon:

- **Mandatory Leak Detection and Repair** – for the entire domestic oil and gas system at least four times a year, recognizing the need to move towards continuous emissions monitoring at many sites, with mandatory reporting of all data from leak surveys.
- **Conduct a domestic equipment count and survey of activity data** to better inform emission estimates.
- **Rapid retrofit / replacement of outdated, dirty equipment:** “leak by design” equipment driven by natural gas; storage tanks venting hydrocarbons from flash gas and working and breathing losses; compressors venting gas from seals; etc.
- **Strict standards to eliminate venting and flaring from oil wells and gas wells** (including during well maintenance, water unloading, and drilling and completion) for domestic source
- **Standards to reduce methane from imported oil and gas** are necessary for the EU to have the greatest impact in cutting methane and black carbon.

A robust suite of policy measures to facilitate and accelerate the transition to low- and zero-carbon transportation systems, including: vehicle purchase incentives (subsidies and mandates); public investment in the development of electric charging facilities and hydrogen fueling stations (including investments in the associated energy delivery infrastructure such as grid enhancements and hydrogen pipelines); and funding for research and development of technologies (for example, hydrogen fuel cells, ammonia-fueled engines, and carbon-neutral synthetic fuels) that can be used to eliminate greenhouse gas emissions from aviation, marine shipping, heavy-duty on-road freight and other hard-to-decarbonize modes of transportation.

3. The role of EU climate engagement internationally

The EU should design and implement a climate strategy in collaboration with its neighbors that supports technology diffusion for clean energy production via advanced energy technologies including imports of clean ammonia, hydrogen, and electricity. Increased collaboration with its neighbors can help the EU increase the chance of meeting its own climate ambition for both 2030 and 2050, while also achieving climate diplomacy objectives; it would enable technology access, support a lowest cost energy transition as well as diversify options of clean energy sources for the EU.

The EU should support international decarbonization initiatives including those that reduce the lifecycle emissions of products consumed and imported into the EU.

As the world’s largest importer of oil and gas, the EU wields enormous purchasing power. The EU must use that power and the methane strategy as a



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platform to pressure and incentivize methane reductions from the EU's major gas suppliers: Russia, Norway, Algeria, Qatar, and others. This necessitates the development of pricing mechanisms or other policy options, along with third-party verification systems to ensure compliance and would need a stringent system for monitoring for compliance, reporting of emissions, and verification of data for both domestic sources as well as supplier countries.

Continued support for international knowledge sharing and cooperation with regards to the deployment of carbon capture and storage within existing frameworks such as the Clean Energy Ministerial and ACT, but also with its neighbors to harness opportunities for further cooperation with regards to CO₂ infrastructure and transport networks and geologic storage development.

Support for international decarbonization initiatives including ammonia use in maritime shipping at key bunkering ports¹ learning and collaboration with key hydrogen production and utilization projects in the United Kingdom such as Acorn, H21, and Gigastack.

Joint exploration of hydrogen production with North African countries and dialog with industrial suppliers such as the EUTurbines initiative as well as European industrial firms, many of which offer world-leading technology in the hydrogen and ammonia space.

Support for international efforts to cut methane and black carbon emissions around the world, with a special focus on assisting mitigation efforts in the developing world.

CATF understands that many of these actions might best occur in harmony with other efforts and activities but stresses the importance of option creation to de-risk climate strategy. CATF looks forward to engaging on forthcoming activities and dialogues with the European Commission.

Sincerely,

Jonathan Banks
International Director

¹ as recommended in "Zero-Carbon Fuels for Shipping" (2020), available here: https://www.catf.us/wp-content/uploads/2020/06/2020_SIPA_Zero-Carbon-Shipping.pdf