
PRESS RELEASE

Parliament bolsters NZIA, Council must follow suit

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BRUSSELS, BELGIUM - *Today the ITRE committee voted on the Net Zero Industry Act, and with the earlier ENVI committee vote on 20th of September, the Parliament concluded its position on articles pertaining to carbon capture and storage, which the two committees shared competency on.*

The two committees further the commission text in terms of recognising the obligation placed on oil and gas producers in contributing to the development of storage injection capacity in the EU. This is an appropriate allocation of responsibility given the historic contributions to climate change from such producers. The amendments voted upon further the obligation by placing sanctions or penalties to spur climate action. Such an obligation, [supported by several oil and gas producers themselves](#), is required to ensure the timely deployment of CO2 storage capacity.

While the ITRE Committee includes what immediately seems like an extension of the obligation to all oil and gas “sellers” in the union, in reality the wording is too unclear and fails to clearly determine on whom the obligation falls. This will need to be clarified and dealt with further in the legislative process. If not addressed properly, it risks in practice watering down the obligation and adding uncertainty.

Both committees highlight the importance of transportation within the CCS value chain, calling for supporting text to ensure the logistics of connecting an emitter to a storage site is efficiently mapped and managed.

On the target itself, the ITRE committee supports at least 50 Mt of annual injection capacity within the EU, solidifying that such a volume is in fact a minimum and feasible within the timeline of 2030. The text proposed by the Commission aims at a geographically dispersed storage capacity to ensure all emitters in the EU have affordable and competitive storage access. The ENVI committee calling for a higher target of 60 Mtpa does so with the inclusion of the EEA. Such an inclusion [misses the mark](#) on ensuring monopolistic tendencies are avoided through over reliance on storage capacity in Norway or the North Sea. It is also risky to include the EEA as potential delays in implementation of EU law in the EEA could further prolong final investment decisions of much needed CO2 projects.

With the Parliament support and reinforcing the much-needed obligation, alongside a solid injection capacity target, the focus is now on the Council to continue the widespread support for legislation that supports a crucial decarbonisation pathway. These parliament votes helps set societal terms for development of crucial CO2 storage for EU industry, instead of leaving it to petroleum industry alone.

“The Parliament has carried forward what the Commission proposed as an appropriate allocation of responsibility. The obligation on oil and gas producers to develop storage injection capacity helps address a key bottleneck of the CCS value chain in climate relevant timelines” – Aravind Dhakshinamoorthy, Policy Analyst CCS

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