Contribution ID: 898dc67a-2511-45f3-bc6f-bda0cb5d37bb

Date: 02/05/2022 19:44:09

Certification of carbon removals — EU rules

Fields marked with * are mandatory.

Introduction

Responding to the urgency of climate action highlighted in the successive assessments of the Intergovernmental Panel for Climate Change (IPCC), the European Union has set in law its objective of economy-wide climate neutrality by 2050. The European Climate Law requires greenhouse gas (GHG) emissions and removals to be balanced within the European Union at the latest by 2050, with the aim of achieving negative emissions thereafter. Each single tonne of CO2eq emitted into the atmosphere will have to be neutralised by a tonne of CO2 removed from the atmosphere. To scale up carbon farming and industrial solutions for removing carbon from the atmosphere, the European Commission is working towards a legislative proposal in 2022 on a regulatory framework for the certification of carbon removals.

As underlined in the Communication on Sustainable Carbon Cycles, the establishment of the certification framework will be an essential stepping stone towards the transparent recognition of activities that remove carbon from the atmosphere in an environmentally sound manner. The certification rules should therefore set scientifically robust requirements for quality of measurement, monitoring, reporting and verification of the carbon removed from the atmosphere, the duration of the storage, the risk of reversal and the risk of carbon leakage increasing GHG emissions elsewhere. Requirements should also be set for the amount and type of energy used for the carbon removal process. The certification rules should put in place robust safeguards to make sure that carbon removal activities do no harm to biodiversity and other sustainability objectives. This is important to ensure that the EU can claim domestic climate neutrality while helping to achieve other objectives οf the European Green Deal.

This public consultation invites public administrations, academic institutions, businesses, organisations and individuals to contribute to the preparation of an EU regulatory framework for the certification of carbon removals. The findings of the consultation (which will be summarised and published) will inform the impact assessment accompanying the Commission proposal on this initiative.

Guidance on the questionnaire

This public consultation consists of some introductory questions on your profile, followed by a questionnaire. Please note that you are not obliged to reply to all questions

At the end of the questionnaire, you are invited to provide any additional comments and to upload additional information, position papers or policy briefs that express the position or views of yourself or your o r g a n i s a t i o n.

The results of the questionnaire and uploaded position papers and policy briefs will be published online. Please read the specific privacy statement attached to this consultation stating how personal data and contributions will be dealt with.

In the interest of transparency, if you are replying on behalf of an organisation, please register with the register of interest representatives (if you have not already done so). Registering commits you to complying with a code of conduct. If you do not wish to register, your contribution will be handled and published with contributions received from individuals.

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Check if your organisation is on the <u>transparency register</u>. It's a voluntary database for organisations seeking to

influence EU decision-making.

*Country of origin

Please add your country of origin, or that of your organisation.

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	Bermuda		Greece		Mozambique	0	Suriname
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	Bolivia		Grenada	0	Namibia	0	Sweden
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	Brunei		Haiti		Nigeria	0	Timor-Leste
0	Bulgaria	0	Heard Island and McDonald Islands		Niue	0	Togo
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0	Cambodia	0	Hungary	0	North Korea	0	Trinidad and Tobago
	Cameroon		Iceland	0	North Macedonia	0	Tunisia
	Canada		India		Norway	0	Turkey
	Cape Verde		Indonesia	0	Oman	0	Turkmenistan
0	Cayman Islands	0	Iran	0	Pakistan	0	Turks and Caicos Islands
0	Central African Republic	0	Iraq	0	Palau	0	Tuvalu
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	Islands				Minor Outlying
					Islands
0	Colombia	Jersey	Pitcairn Islands		Uruguay
0	Comoros	Jordan	Poland	0	US Virgin Islands
0	Congo	Kazakhstan	Portugal	0	Uzbekistan
0	Cook Islands	Kenya	Puerto Rico	0	Vanuatu
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					Futuna
0	Curaçao	Laos	Rwanda	0	Western Sahara
0	Cyprus	Latvia	Saint Barthélemy	0	Yemen
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Questions

Scope

Question 1: What in your view are the main challenges regarding the integration of carbon removal in EU climate policies?

at most 3 choice(s)

- Ensuring that strong action to reduce emissions is not undermined by shifting focus on carbon removals.
- Ensuring a net contribution from removals to the achievement of climate neutrality.
- Ensuring precise, accurate and timely measurement for removals.
- Providing sufficient guarantees for the duration of carbon storage and the prevention of reversals.
- Avoiding potential negative environmental impacts and complying with sustainability principles.
- Fostering cost-effective carbon removal solutions.
- Guaranteeing transparency of the benefits and costs of carbon removals.
- Setting appropriate baseline and demonstrating the additionality of removals.
- Other

Question 2: What should be the main criteria defining the types of carbon removals that EU climate policies should incentivise?

at most 3 choice(s)

	l echnical readiness and economic feasibility
	Potential for deployment at large scale
	Robustness of monitoring, reporting and verification aspects
	Affordability of monitoring, reporting and verification aspects
	Duration of carbon storage
	Risk of intentional or unintentional reversal of carbon removals
	Potential environmental co-benefits
	Potential social benefits
1	Other

Please specify:

500 character(s) maximum

Whilst all of the above are relevant criteria when defining the types of removals to be incentivized, a certification scheme should focus on the additionality, permanence and co-benefits of the removal. Clear definitions of additionality and permanence are necessary with a view to investments going beyond business-as-usual.

Question 3: Taking account of the aspects identified in the previous question, what carbon removal solutions should EU climate policies incentivise and in what time horizon?

Carbon farming solutions enhancing ecosystem removals

	As soon as possible	After 2030	Towards 2050	Never	No opinion
Afforestation under ecological principles	•	0	0	0	0
Reforestation and forest restoration	•	0	0	0	0
Sustainable forest management	•	0	0	0	0
Agroforestry and mixed farming	•	0	0	0	0
Increase of soil organic carbon on mineral soils	•	0	0	0	0
Increase of soil organic carbon on organic soils	•	0	0	0	0
Wetlands and peatlands restoration	•	0	0	0	0
Costal marine ecosystem restoration and preservation	•	0	0	0	0
Other	0	0	0	0	0

Industrial solutions for carbon removals

	As soon as possible	After 2030	Towards 2050	Never	No opinion
Biochar	•	0	0	0	0
Direct air capture with long-term or permanent carbon storage	•	0	0	0	0
Bioenergy with carbon capture and long- term or permanent storage	•	0	©	0	0
Geological storage of non-fossil CO2	•	0	0	0	0
Bio-based products with long lifetime (including for construction)	•	0	0	0	0
Utilisation of non-fossil CO2 in long lifetime products	0	0	0	0	•
Enhanced rock weathering	•	0	0	0	0
Other	0	0	0	0	0

Would you have any additional comments on scope, please specify:

2500 character(s) maximum

For Europe to reach its 2050 climate neutrality ambitions, we believe that reducing emissions today is just as important – if not more so – as removing them. We encourage policymakers to differentiate between carbon removals and reductions when developing regulations and incentives by creating separate targets for carbon removal and reduction goals. The EU should consider setting a target for a fixed amount of removals to be achieved across the EU by 2030 and 2050 to support meeting the EU's climate neutrality goals and to help lower the cost of removal technologies. We would encourage EU policymakers to consider specifying subtargets for both natural and technological carbon removals that include volume and target years as well as clear definitions of additionality for removal credits and permanence with a view to investments going beyond business-as-usual approaches. Any EU removals target should be technology neutral and should provide companies with the flexibility of meeting targets with carbon credits, in conjunction with the mitigation hierarchy considering first prioritising emissions reduction within a value chain.

The benefits of a certification framework to scale up high-quality carbon removals over the coming years

Question 4: Would you agree that establishing a robust and credible certification system for carbon removals is the first essential stepping stone towards achieving a net contribution from carbon removals in line with the EU climate-neutrality objective?

- Yes
- No
- No opinion

Question 5: What would be the main objectives for the certification of carbon removals?

at most 3 choice(s)

To increase the transparency and level playing field of voluntary carbon markets.
 To allow comparability and competition between different carbon removal solutions
 To provide better public incentives for nature-based and industrial carbon removals in EU and national funding programmes.
 To provide better financial incentives for land managers (e.g. purchasers of food and biomass products reward climate-friendly agriculture through price premiums or incentive payments – often called 'in-setting').
 To provide better financial incentives for carbon-storage products (e.g. biobased products, woody construction material).
 To increase transparency in corporate sustainability reporting and foster the credibility of climate-neutrality claims.

Please specify:

Other

500 character(s) maximum

A well-designed certification should provide:

- Increasing transparency of voluntary carbon markets and comparability of different carbon removal solutions.
- The flexibility to recognize different types of removals rather than treat all types as entirely undifferentiated and interchangeable.
- Increased scope for utilising removals towards achieving corporate net zero targets

The role of the EU in the certification of carbon removals

To support the labelling of sustainable products.

Question 6: Which role should the EU take in the certification of carbon removals?

- Voluntary carbon markets work well. There is no need for an additional intervention by the EU.
- The EU should establish minimum standard requirements on reporting transparency for carbon removals.
- The EU should establish comprehensive standard requirements for carbon removals, e.g. on monitoring, reporting and verification, on the duration of the removal or baseline setting and additionality.

Question 7: What functions in the certification process should be carried out by private or public entities?

	Independent private entities	Public administration	No opinion
Establishment of certification methodologies	•	0	0
Establishment of the system for accreditation of certification bodies	0	•	0
Validation of the carbon removal project (ex-ante)	•	0	0
Verification of removals made (ex-post)	•	0	0

Would you have any additional comments on the role of the EU in the certification, please specify:

2500 character(s) maximum

A combination of policies will be necessary to target the scale up of carbon removals and to ensure that their availability is robust in the long-term. The EU should seek to recognise existing carbon removal standards and methodologies from established voluntary carbon market organisations, such as Verra and the Gold Standard. Removal credits from these standards should be eligible under the EU framework in addition to any newly created EU standards. This should enable the market for EU removals to mature faster than if the EU were to create its own standard only.

Certification methodologies

Question 8: Carbon removal solutions can differ significantly, for example as regards duration of removals or robustness of monitoring, reporting and verification. In this context, do you think an EU certification framework should allow different types of certificates for different types of removals?

- The EU certification framework should define only the minimum criteria for the certification and should not comprehensively define the certificates.
- The EU certification framework should only allow a single type of certificate to ensure equivalence of certified carbon removals.
- The EU certification framework should allow different types or sub-categories of certificates to better reflect the diversity of carbon removal solutions and their characteristics.

Question 9: Apart from diverging durations of existing carbon removal solutions, storage may also be prematurely interrupted and carbon may consequently be released back into the atmosphere. What approach could better manage this risk of intentional or unintentional reversal of carbon removals?

- Make removal providers liable for any reversal of removals and require them to offset any reversal.
- Encourage or require carbon removal providers to set up insurance systems or multi-project pooling mechanisms.
- Require commitment to multi-year monitoring plans at the outset of the certification procedure.
- Issue certificates with specific durations (e.g. 5, 7 or 10 years) that can be renewed.
- Require methods with a risk of reversal to be discounted or require a share of the removals to be stored in a buffer account (e.g. 10 to 25 per cent of the expected removals).
- Other

Question 10: In voluntary carbon markets, the use of baseline and additionality concepts aims to quantify and reward only additional removals, i.e. those that go beyond a pre-identified baseline and would not have occurred in the absence of the incentives from the carbon removal mechanism. To what extent do you think the EU certification framework should include the concepts of baseline and additionality?

- The EU certification should establish a single methodology to define the baselines and assess additionality.
- The EU certification framework should allow for a variety of baselines and additionality criteria to cater for different types of removals.
- To best adapt to the use of the certificates in a specific context, the certification framework should not prescribe definitions for baseline and additionality criteria.
- Other

Question 11: What information should the certification for carbon removal disclose?

- Type of carbon removals
- Quantity of carbon removed
- Information on the carbon removal provider

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	Information on the certificate owner
V	Information on monitoring, reporting and verification processes
V	Duration of carbon storage
V	Risk coverage and safeguards on sustainability objectives
V	Environmental benefits
V	Social benefits
V	Information on the baseline and additionality of the removal
V	Information on the use of the certificate and its contribution to the Paris
	Agreement with a view to avoiding double counting
	Price if the certificate has been traded
	Other

Would you have any additional comments on on certification methodologies, please specify:

2500 character(s) maximum

Globally policymakers are increasingly looking at policies to incentivise carbon removals to help deliver net zero targets. There are already existing policy frameworks in place elsewhere in the world to encourage the investment and delivery of carbon removals with more policies in the pipeline.

We believe that the EU should create a single certification framework, to properly articulate the relationship among different stakeholders (Scheme owners, Certification bodies, economic operators) and to deliver equivalence of certified carbon removals, which recognizes the different categories or sub-categories of removal types as this will better reflect the diversity of carbon removal solutions and allow the market to put a premium on different removals based on their characteristics.

Final remarks

Finally, are there any other important aspects that should be considered in establishing a regulatory framework for the certification of carbon removals in the EU?

- Yes
- ON No

Please provide your additional remarks:

5000 character(s) maximum

bp welcomes the EU's initiative to establish a framework for the certification of carbon removals.

We believe that both natural and technological emission reductions and removals are critical to reaching the Paris goals; reducing emissions today is just as important – if not more so – as removing them. A

combination of policies will be necessary to target the scale up of carbon removals and to ensure that their availability is robust in the long-term. To incentivise the growth of carbon removal solutions, we recommend the following:

- The EU should consider setting a target for a fixed amount of removals to be achieved across the EU by 2030 and 2050 to support meeting the EU's climate neutrality goals and to help lower the cost of removal technologies. We would encourage EU policymakers to specify sub-targets for both natural and technological carbon removals that include volume and target years as well as clear definitions of additionality for removal credits and permanence to with a view to investments going beyond business-as-usual approaches. Any EU removals target should be technology neutral.
- The EU should consider recognising existing carbon removal standards and methodologies from established voluntary carbon market organisations. Allowing removal credits from these standards to be eligible alongside newly created EU standards should enable the market for EU removals to mature faster than if the EU were to create its own standard only.
- The EU carbon removal certification scheme should specify the additionality, permanence and cobenefits of the removal.
- The EU ETS can help meet an EU removals target. Given recent price increases in EUAs,
 consideration should be given to a fixed percentage of EUA compliance to be met with removals which are
 generated outside of ETS covered sectors. This could create a strong incentive for private companies to
 invest in removals and would function based on a 'one carbon removal in, one EUA cancelled' approach
 whereby overall net emissions would decline.
- The EU should utilise Article 6 of the Paris Agreement to recognise removals and meet any removals target. The EU could recognise removals that occur outside of the EU for compliance with the EU ETS and to meet enhanced EU Member State climate targets. This would help facilitate the growth of a robust international removals market which can help deliver the Paris goals.
- EU Member States can be encouraged to set their own carbon removal policies and targets which can go beyond any EU target, by setting tax credits, reverse auctions or direct procurement programmes.
- The EU should consider whether to issue guidance that increases scope for removals to be recognised as a meaningful contribution to achieving voluntary private-sector led net zero targets.
- The EU should consider providing frameworks to reduce carbon removal producer liability for reversibility risk, such as bank guarantees or bonds, or a buffer pool of credits as is common practice in the California carbon market.
- The EU should consider how to address any potential for EU State aid regulations to consider well designed support measures for removals as a form of state aid.

Furthermore, any carbon removal framework should be linked to existing and future EU climate-related legislation:

• Removal investments should be recognised as an environmentally sustainable activity aligned with the EU Taxonomy on sustainable investments.

Should you wish to provide additional information (for example a position paper) or raise specific points not covered by the questionnaire, you can upload your additional document here.

Any document you upload will be published alongside your replies to the questionnaire, which is the essential input for this public consultation. An uploaded document is an optional addition and will serve as further background reading to better understand your position.

Please upload your file(s)

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Contact

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