

# Cross-Border CO2 Working Group meeting

30/07/2025



# House Keeping

- Meeting is being recorded, slides and recording will be circulated with members
- CCSA Competition Law Policy notice is attached to the meeting invite/available on the CCSA website
- If you are not speaking please mute your microphone
- Please **raise your hand** if you wish to comment, you will be invited to come off of mute, if you can also turn on your camera
- Please also pose any **comments in the chat** and these will be picked up by the secretariat
- **Group Convenor:** Thomas Vanhauwaert (Eni), Ayan Bhattacharji (Interconnector), Els Jooris (Shell)

# Agenda

Time	Topic	Speaker
10:05 GMT/ 11:05 CEST	Introduction & CCSA competition law policy notice	Els Jooris, Co-Chair
10:10 GMT/ 11:10 CEST	Update from DESNZ	DESNZ's team
10:45 GMT/ 11:45 CEST	Advocacy plan: update and next steps	Stefano Miriello, CCSA secretariat
11:15 GMT/ 12:15 CEST	CCSA joint letter	Ariadna Lungulescu, CCSA secretariat
11:40 GMT/ 12:40 CET	EU & UK ETS update	Rebecca Bell & Sophie Deijkers, CCSA Secretariat
	AOB & Conclusions	Els Jooris, Chair

# Update from DESNZ



# Advocacy: update and next steps

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CCSA Secretariat



# Advocacy – Draft strategy and next steps

## Key dates:

- Specialised Committee on Energy, last June
- Council of the EU WPUK – EC negotiation mandate discussion – 25 July
- Council Decision on EC negotiation mandate for ETS Linkage – September 2025
- Start of the negotiations – September/October 2025

## Advocacy aims:

- **Create a WG under the Specialised Committee on Energy on CCUS**
- **Clarify the status of CCUS in the linkage**
- **Obtain more information on the timeline of negotiations & call for quick linkage**



# Updates – What's going on?

## Sefcovic's letter

- Response to CCSA's letter of 23 April, calling for the linkage of the EU and UK ETs, including for CO2 transport and storage
- Confirms the Commission's commitment to link the two carbon markets
- Mentions that both the EU and UK want to proceed swiftly with linkage negotiations

Any questions?



**Maroš ŠEFČOVIČ**  
Commissioner for Trade and Economic Security,  
Interinstitutional Relations and Transparency

Brussels, 15/07/2025

Dear Ms Powis,

Replying also on behalf of the President of the European Commission, I would like to thank you for your letter of 23 April and for sharing your views and proposals to strengthen EU-United Kingdom relations. We appreciate your constructive engagement and support for a closer and forward-looking partnership with the United Kingdom.

We welcome your commitment to the deployment of Carbon Capture, Utilisation, and Storage (CCUS) technology, especially in the North Seas and we read with interest your recommendations.

At the European Union-United Kingdom Summit on 19 May 2025, the European Commission and the United Kingdom agreed to work towards establishing a link between their carbon markets by way of a European Union-United Kingdom agreement linking the United Kingdom Emission Trading Scheme (UK ETS) and the European Union Emission Trading System (EU ETS). The link between their carbon markets would give effect to Article 392(6) of the Trade and Cooperation Agreement.

Both the European Union and the United Kingdom want to proceed swiftly on their common understanding, in accordance with their respective procedures and legal frameworks.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Maroš Šefčovič".

Ms Olivia Powis  
CEO  
The Carbon Capture and Storage Association



# Roundtable on EU-UK ETS Linkage

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- **When:** 17/07
- **Where:** Brussels at Wind Europe
- **Participants:** Deputy Ambassador of the UK Mission to the EU, Caroline Read; Natasha Sogol, Head of Energy at the UK Mission to the EU; Ben Thom; Climate Attache, at the UK Mission to the EU; Industry representatives, including many interested in the power markets topics.

## Main topics discussed

- Negotiations timeline
- CBAM
- CDR/GGR inclusion in the long-term negotiation
- Sectors prioritisation

# CCSA – British Embassy in Brussels: Event and next steps

The British Embassy in Belgium, in cooperation with the CCSA, is considering organising a roundtable on cross-border CO2 transport & storage. It could be a similar event to the one organised with DBT for German emitters, but with fewer participants involved.

Preliminary info - all details TBC:

- **Number of participants:** TBD – invite only/small-scale event
- **Target audience:** Belgian Emitters, Member States reps (e.g., Belgium), CCSA members
- **When:** end of September/October (date TBD)

More details will be defined in the coming weeks, pending confirmation of the British Embassy's availability for the selected period.

**Any thoughts?**

# CCSA joint industry letter

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CCSA Secretariat



# Content & Updates

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- **Main Points:**

- Expedite negotiations
- **Create a WG under the TCA Specialised Committee on Energy, dedicated to CCUS**
- Coordinate CCUS regulatory regimes
- Ensure ETS common operating standards and mutual allowance eligibility
- 7 confirmed signatories, so far

- **Next steps:**

- Cross-border group signatories – 29 July
- Wider CCSA membership signatures
- Other companies, trade associations' support – open to minor comments, to be assessed on case-by-case basis
- Preview publication late August / early September ahead of the Council meeting

# Content & Updates

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## Specific asks

- Framework to ensure emission allowances eligible for compliance in one ETS are eligible in the other.
- Establishment of a joint body to oversee registries and auctioning of emission allowances to maintain compatibility, avoid carbon leakage and distortion of competition between the linked systems.
- A market stability reserve to maintain compatibility, including phasing out of free allowances and pricing.
- Alignment on transparency criteria considered by the ETS Authorities regarding intervention.
- Coordination of CCUS regulatory regimes, and recognition of CO<sub>2</sub> transport and storage under both regimes.
- A process to ensure common operating standards, including e.g. CO<sub>2</sub> specifications and metering standards.

# EU-UK ETS Update

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# Pre-Negotiation Update

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The EU and UK ETSs are based on the same foundations, pre-dating the UK leaving the EU, and both operate in the same way.

Key areas of divergence since 2020 are:

- **Sectoral coverage**
  - UK intending to include greenhouse gas removals & waste to energy; EU still considering.
  - UK intending to include non-pipeline transport
  - EU considering including maritime and aviation
- **Emissions caps & trajectories**
  - Approach to **Free Allowances** – EU planning to phase out for all sectors; UK approach TBD
  - Cost containment mechanism (UK) v Market Stability Reserve (EU)

**Software issue:** the EU and UK ETS registries will need to be able to communicate to allow trading between the two systems

## Next steps

**To address the EU/EEA-UK ETS regulatory barrier, the European Commission, UK Government, and Member States should take the following actions:**

- Enter into a bilateral agreement under the EU-UK Trade and Cooperation Agreement to underpin these amendments
- Amend EU and UK legislation to reference storage in each other's jurisdiction
- Amend UK law to reflect material amendments that have been made to the relevant EU legislation since the UK departure from the EU
- Amend the UK Greenhouse Gas Emissions Trading Scheme Order 2020

### **Thoughts on follow-up asks?**

- General implications of UK-EU ETS alignment for CCUS deployment
- CDR/GGR integration in the ETSs
- Differing approaches to free allowances
- What are the implications to members?

# AOB & Conclusions

**Next meeting:** TBD

Summary:

- Suggested actions:
  - Finalising the CCSA joint-letter
  - Updating CCSA position on ETS linkage
  - Other suggestions?
  
- AOB?

