

May 1st, 2020

## Feedback to European Commission's Proposal for EU Climate Law

Bioenergia ry - the Bioenergy Association of Finland welcomes the proposal for EU's Climate Law as an overall legislative framework to foster and guide climate change mitigation and adaptation activities. We fully support the aim of a climate neutral EU by 2050.

Regarding the proposed regulation, we would like to highlight some remarks which need to be taken into consideration by the European Commission.

Leaving fossil resources in the ground should be a top priority to prevent CO<sub>2</sub> emissions and to cut cumulating carbon into the atmosphere. The Commission's proposal does not define this as a priority. Instead, it emphasizes the need for carbon sinks, which leaves the door open for continuation of fossil emissions also in the future. This should be amended.

The EU Climate Law should respect the subsidiarity principle of forest policies. It should encompass the whole value chain and all the products. It should consider climate change mitigation when wood-based products are used and substitute fossil fuels over a longer period of time. Improving biodiversity in forests must be part of the strategy as well. The effects of climate change that either already affect or are forecast to affect the level of disturbances must be taken into account. It should also be addressed how those risks could be managed and how EU's forests could best adapt to the new climate.

In relation to Article 1, we note that negative emissions will be needed to achieve net-zero emissions. An important notion for the Climate Law and the Green Deal in general is the lack of incentives and legislative certainty for various negative emission technologies. The in-depth analysis in support of the EC strategic vision 2050 (COM (2018) 773) that will be one of supporting document with an ad-hoc impact assessment for the Climate law, shows how important carbon capture and various negative emissions technologies can and will be to achieve carbon neutrality in the EU.

After 2050 the EU will need to expand carbon negative solutions anyway. Bioenergy Carbon Capture and Storage (BECCS) and biochar production are technologically the most mature negative emissions solutions.

The EU should set a clear policy environment to initiate concrete actions to enable investment in negative emission technologies on a technology-neutral basis. Deployment of such solutions requires clear accounting rules and incentives for investments in carbon capture. Also, rules for shipping of CO<sub>2</sub> and a roadmap to create cost-efficiently adequate transport and storage infrastructure is needed. The objectives for negative emissions should be established well before 2030 in order to develop additional carbon sinks and new technology to generate utilisation of CO<sub>2</sub>

and negative emissions in time. Progress in these technologies might also provide the necessary boost for additional emission reductions in the EU already in the 2020–2050 timeframe and help achieving climate neutrality earlier than predicted.

In relation to Article 2.1, the Commission has in its proposal excluded the option of reducing emissions or increasing removals outside EU's borders. Such framing almost automatically implies a higher price of carbon and higher mitigation costs for the EU. Enabling the use of credible offset mechanisms or transfer of allowances, in line with Article 6 of the Paris Agreement, would bring valuable flexibility and increase the likelihood of meeting the climate targets. The use of credible offset mechanisms would also enable co-financing of low carbon projects, and secure continuity of established low-carbon schemes in the developing economies as well as encouraging new countries to take such schemes into use.

Climate Change is a trans-boundary challenge that cannot be solved by one continent alone. The main target in EU's diplomacy should be to reduce emissions at home as part of a broad worldwide coalition. The EU's role is to broaden such a coalition and speed up progress and to create markets for low carbon technologies and products.

In relation to Article 2.2, the solidarity when pursuing climate neutrality calls for contributions from all Member States and all sectors of society. The EU must help decreasing fossil emissions in Member States that are falling behind.

The Climate Law should be a framework legislation aiming mainly to set the scope for legislation applicable post-2030. In relation to Article 2.4, we underline that it can be harmful and a step backwards to open some of the recently negotiated directives, such as the REDII directive. An important principle of the Climate Law should be to ensure enough stability and low political risk for private investment.