

## **Equinor Response to EU Commission Roadmap on Restoring Sustainable Carbon Cycles**

Equinor welcomes the opportunity to provide input to the EU Commission roadmap to develop a long-term vision for restoring sustainable carbon cycles, an initiative that we strongly support. The upcoming Commission Communication should be science based, technology neutral and incentivise investments in both Nature-based Solutions (NbS) and Technology-based Solutions (TbS).

Equinor pursues the ambition to achieve carbon neutrality in operations by 2030 and to become a net-zero energy company by 2050, by providing solutions and new technologies that also will enable other economic actors to reduce emissions and help deliver towards the EU's climate neutrality. Equinor has a long experience with TbS, we have been capturing and storing CO<sub>2</sub> for more than 20 years, and we support and will invest in both NbS and TbS.

To keep global warming well below 2 °C and ensure the EU reaches climate neutrality by 2050, all available solutions for reducing GHG emissions will be needed, including nature-based- and technology-based, as well as carbon taxes, Emission Trading Schemes (ETS) and the Voluntary Carbon Market (VCM). Anything short of this will make the achievement of our common goals and ambitions more difficult, delayed, and costly. In this regard, while the mitigation hierarchy is important - emissions avoidance first, followed by reductions and removals – aggressive timelines will require us to advance all mitigation efforts in a more synchronized and integrated manner.

### **Both emission reductions and removal solutions are required**

We welcome the Commission's ambition to include both NbS and TbS in its upcoming Communication and encourage the Commission to maintain this approach when developing a regulatory framework for the certification of carbon removals. To first achieve net-zero across Europe in 2050 and negative emissions thereafter will require both carbon reductions and removals at unprecedented scale, and a robust plan for establishing the necessary legislative framework that the Communication should set out.

Emission reductions will have benefits in the short, medium, and long term. The deployment of reduction technologies like CCS at scale will bring, learning effects and drive down the costs, and should therefore be supported. Efforts to capture emissions after they have been emitted to the atmosphere should not defer the more cost-effective solutions that capture emissions from point sources before they are released into the atmosphere.

Moreover, the development of CCS technology and CO<sub>2</sub> infrastructure will enable the development of CCS-enabled removals such as bioenergy coupled with CCS (BECCS) and direct air capture (DACCS), which are more costly and less available today.

Again, technology neutrality will be crucial. All CDR options available should be considered and used, including 'Blue Carbon'. Coastal and marine ecosystems, like mangrove, seagrass and algae have so far received less attention from policymakers, while for instance mangroves have about x2-4 the annual sequestration rate than those observed in mature tropical forests. Equinor believes that this is an important future abatement option.

## **Ensure compatibility at European and global level**

Coordination of climate action is necessary at European and at global level. In this regard, the future establishment of a market for carbon certificates must be compatible and fully aligned with the EU ETS and consider the rules of Article 6 of the Paris Agreement, once they are agreed upon. The cross-border fungibility of negative emission credits with other accounting units under various policy instruments (e.g. EUAs under EU ETS) is key, which in turn will support the position of European projects in the growing carbon removals market, and facilitate investments towards those solutions. That is why a single type of certificate should be proposed, which can be more easily traded and counted towards incentives or targets for emissions and removals in different sectors.

Certified offsets, avoided emissions and emission reductions, based on NbS or TbS, should all be recognized as legitimate elements of a company's transition pathway, while their different impacts on the actual decarbonisation of the economy should be considered and weighted.

## **A high-quality Carbon Removal Certification Scheme is essential**

For removals to be of high quality and credible, the permanent storage of carbon will have to be guaranteed. The Communication should set out a direction for how a dependable certification scheme can be achieved. It should also evaluate whether other greenhouse gases with a higher Global Warming Potential (GWP) should be considered to be included in the certification scheme. Equinor would support an extension of the scope to cover GHG Removal (GHGR).

A credible carbon accounting scheme will require robust definitions, including of:

- Carbon Dioxide Avoidance, Carbon Dioxide Reduction and Carbon Dioxide Removal
- Additionality
- Permanence of carbon storage
- Co-benefits

Moreover, a robust Monitoring, Reporting and Verification (MRV) framework based on scientific criteria will be needed in order to ensure that emissions are properly and consistently monitored, based on life-cycle considerations, and reported and verified by a third party.

Not all technology elements for establishing sustainable carbon cycles are mature yet. Especially the technologies that support the monitoring, reporting and verification will need development and testing. The Communication should set out ways for launching pilot projects that would help develop and mature these technologies.