

EU Carbon Capture and Storage (CCS) Technologies Expected to Develop Rapidly in the Near Future

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CCS technologies are rapidly gaining interest from policymakers, lobbyists and investors and are expected to develop rapidly in the near future.

Up until 2023, the EU lacked the legal framework necessary for the advancement of CCS. The technology was recognized as key to meet EU climate neutrality goals in the [Green Deal Industrial Plan for the Net-Zero Age](#) published in February 2023. In order to secure its swift development in the EU, the plan announced the adoption of a legislative package that would:

- Simplify the permitting process
- Facilitate access to public funds

Adhering to the plans in March 2023, the EU Commission:

- [Adopted the proposal for the Net-Zero Industry Act](#)
- [Amended the General Block Exemption Regulation](#) (GBER)

Net Zero Industry Act

The proposal for the Net Zero Industry Act (NZIA) set an EU-wide annual target of injection capacity of at least 50 million tons of CO₂ by 2030. Its annex recognizes CCS technologies as “net zero strategic projects,” which means they will benefit from:

- Simplified and shortened administrative and permit-granting processes (procedure of a maximum of 12 months for CCS projects)
- Services of national one-stop shops
- Dedicated websites providing information on funding possibilities, local taxes and labor law, as well as investment services
- Prioritization in spatial planning

The proposal is still subject to legislative works in the EU Parliament, so its final provisions might differ from the ones originally proposed by the EU Commission.

Impact

CCS projects will benefit from fast-track permitting procedure and extra investment counseling from the authorities of the member states, making them fast and easy to implement across the whole EU.

GBER

The amended GBER includes investments in CCS and carbon capture and use (CCU) technologies under the category of state aid that can be granted without prior notification to, and approval by, the European Commission. What is more, revised GBER qualifies some assets necessary for their development as “energy infrastructure” if they are subject to third-party access.

Impact

CCS projects will benefit from easier access to public funding in simplified procedures, excluding the need to obtain approval from the EU Commission. Also, some of the assets required for its development (for instance, pipelines used to transport CO₂) will be subject to the “access to infrastructure” rule, meaning that its operator will be obliged to grant access to assets to interested parties.

Relevant Developments of Note

Taxonomy

Transport and underground permanent geological storage of CO₂ were listed as economic activities that, under certain conditions, can qualify as environmentally sustainable investment and can be marketed as such with respect to financial products or corporate bonds. Therefore, investment into CCS provisionally presents an opportunity for prospective investors.

Advocacy Organization

Carbon Capture and Storage Europe, a new advocacy organization, is set to launch in Brussels and aims to advance CCS technology in Europe and encourage European and national policymakers to build regulatory and financial instruments that will attract investments into the sector. Led by former British MEP Chris Davies, the alliance brings together technology providers, project developers, industry leaders and environmental organizations including, but not limited to, Aker Carbon Capture, Baker Hughes, Bellona, Clean Air Task Force and Danish Shipping.

News

[The Danish Energy Agency announced on May 15 that the first project to receive funding under its DKK 16 billion \(€2.15 billion\) carbon capture and storage \(CCS\) subsidy program is one that is being led by the energy company Ørsted.](#)

[Carbon Removal Buyers Group Frontier Announces First \\$53 Million.](#)

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We combine sound legal counsel with a deep knowledge of our clients' businesses to resolve their legal, public policy and political challenges. We care about the quality of our services, the success of our clients and the relationships that are forged through those successes.

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