

European Commission

Public consultation

Industrial Decarbonisation Accelerator Act - speeding up decarbonisation

Bundesverband Carbon Management Solutions (BVCMS)

8 July 2025

I. Introduction

The Bundesverband Carbon Management Solutions (BVCMS) welcomes the presentation of the Industrial Carbon Management Strategy (IDAA) as a significant step toward aligning the EU's transition to climate neutrality with the reinforcement of European economic competitiveness. Carbon Management comprise technology open approaches for CCU, CCS, CO₂-transport and trade. Given the critical role of carbon management in achieving climate targets, attracting private sector investment is essential. A clear framework for state aid will be necessary. State aid should serve as a catalyst for developing the CO₂ market, but it must not substitute private investment

The European Commission outlines three strategic pillars:

1. Accelerating permitting procedures for industrial access to clean energy and decarbonisation technologies, while maintaining high environmental standards;
2. Identifying and advancing priority projects and industrial clusters;
3. Establishing and safeguarding European lead markets for low-carbon products.

Carbon management, particularly through Carbon Capture and Utilisation (CCU) and Carbon Capture and Storage (CCS), is set to play a pivotal role in EU climate policy. However, the current regulatory landscape remains fragmented both at the EU and Member State levels. This lack of coherence is impeding large-scale private investment from both the financial sector and industry.

To unlock the full potential of industrial carbon management, it is essential to accelerate permitting procedures and implement qualitative public procurement criteria that prioritize low-carbon outcomes. These steps are crucial to enhance investment certainty and stimulate private sector engagement. At the same time, businesses require greater regulatory clarity to confidently develop and invest in emerging CO₂ markets. In particular, Carbon Capture and Utilisation (CCU) would benefit from more precise guidance regarding its treatment under the EU Emissions Trading System (EU ETS), beyond the scope of Delegated Act C(2024) 5294.

Future demand for CO₂ - particularly from industrial users and hard-to-abate sectors such as aviation and maritime transport - will be significant. It must be recognized that the transformation of these sectors involves a substantial degree of complexity and effort. This should be reflected in policy frameworks and support mechanisms. Moreover, it is imperative that both CCU and Carbon Capture and Storage (CCS) contribute effectively to reducing the cost of compliance with the ETS.

Regarding 1: Permitting and Infrastructure Development

Accelerating permitting is especially urgent for the build-out of CO₂ transport infrastructure. This infrastructure must be treated as a matter of overriding public interest across the EU. Government agencies at all levels should coordinate to streamline approval processes and facilitate rapid deployment.

Crucially, infrastructure development cannot rely solely on public funding. To mobilise private investment, key regulatory decisions must be made early. This includes clarifying responsibilities for establishing and operating CO₂ transport infrastructure—within Member States, between them, and in cooperation with non-EU countries. A well-defined regulatory framework is needed to enable diverse market actors to participate in the planning, financing, and operation of infrastructure.

Strategic planning for the CO₂ transport network and its subcomponents must also be initiated to allow implementation through coordinated approaches.

Moreover, Companies should be allowed to register with a single, EU-wide registry, if the want to apply for decarbonisation projects. This would make it much easier to apply for various projects and would reduce costs.

Regarding 2 : Industrial Clusters and Cross-Border Cooperation

The plan to set up an EU Industrial Decarbonisation Bank (IDB) opens up new opportunities for coherent funding mechanisms. Currently, the Innovation Fund is the main source of funding for Carbon Management projects across the EU. However: the project-centric approach does limit systemic opportunities of clustering projects. Single projects imply, for instance, that infrastructure is not shared. They also could face low volume, long-distance access to storage and by those prohibitive costs. The IDB should focus on cluster-based projects.

Germany's industrial economy is deeply integrated with cross-border industrial clusters, transport corridors, and seaports in neighbouring countries. These clusters represent strategic assets, offering both economies of scale and the ability to accelerate decarbonisation through coordinated project deployment.

Given the EU's existing cross-border collaboration in hydrogen, electricity, and goods trade, the logical next step is to extend this cooperation to the emerging CO₂ market. This requires to be harmonised permitting procedures, an EU-level framework for cost-sharing - particularly for transport infrastructure - and supportive trade policies.

The development of the CO₂ market will also increase demand for green hydrogen. Sectors such as aviation and maritime will depend on synthetic fuels. The FuelEU

Maritime and the ReFuelEU Aviation regulation are already requiring the fulfilment of synthetic fuel quotas. In addition, the delegated regulation (EU) 2023/1184 and (EU) 2023/1185 are outlining the role for RFNBOs and RFCs. Using green hydrogen jointly with captured CO₂ will be the key to speed up the decarbonisation of these transport modes.

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Ports will play a central role as logistics and energy hubs, facilitating the import, export, and storage of hydrogen derivatives and CO₂. These facilities must be equipped to support the industrial transition and should be prioritised in planning and funding frameworks.

Regarding 3: Creating European Lead Markets for Low-Carbon Products

To support the growth of lead markets for low-carbon products, the EU must ensure that CO₂ trading and transport are governed by harmonised standards that guarantee interoperability and safety across borders. The standardisation by CEN in collaboration with national standardisation bodies will be vital for all actors.

The EU should also uphold the principle of technology neutrality, recognising the important role of CCU and CCS in contributing to net-zero solutions.

II. Promoting private sector investment and enhance investment security

Furthermore, there are some aspects of the draft that could be improved. The EU wants to speed decarbonisation investments. Private investment into CCU and CCS projects and especially into the transport infrastructure is viable only when there is sufficient market visibility on both the supply and demand sides.

This cannot be achieved with government funds alone. In order to enable private actors to participate in the needs-based establishment of the infrastructure, a number of fundamental decisions need to be made at an early stage:

It is unclear who will be responsible for establishing (and operating) the infrastructure in the Member State Germany in the future. It is therefore also unclear how the co-operation between its neighbours is going to look like – with those who are EU member and those who are not.

We advocate legal structures in the form of a regulatory framework that enables various market participants to act in the establishment and operation of the infrastructure.

This also means developing conceptual considerations for the overall transport network across the EU and in the Member States as well as its subcomponents in order to enable implementation by various parties in coordinated steps.

Private investment in infrastructure works when supply and demand exist. In this respect, it should be noted that, as with the ‘hydrogen core network’ project, private companies can only make significant upfront investments if they can expect a return on their investment at a later stage. This in turn requires sufficiently concrete revenue prospects which – presumably in combination with initial CAPEX subsidies – are sufficient to refinance the investments. Issues such as pricing (both in the ramp-up phase and after a market has been established) play a decisive role in the revenue prospects. It should be urgently reviewed whether the instruments chosen to finance the hydrogen core network are suitable for implementing a CO₂ transport infrastructure.

It is understandable that no fee mechanism for network use has been specified at this stage. However, from the private sector's point of view, reliable statements on the direction in which the infrastructure should be developed are needed.

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