CEMBUREAU FEEDBACK TO THE EUROPEAN COMMISSION'S INCEPTION IMPACT ASSESSMENT ON RED II

Brussels, 21/09/2020

CEMBUREAU welcomes the opportunity to provide feedback on the Commission Inception Impact Assessment (IIA) on the revision of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources.

CEMBUREAU's 2050 Carbon Neutrality Roadmap, which was published in May 2020, sets out the cement industry's ambition to reach net zero emissions along the cement and concrete value chain by 2050.

Cement, through its main final product concrete, plays a major role in the building of renewable energy infrastructures, as key component of onshore and offshore wind turbines as well as hydroelectric dams. Concrete is also a key construction material for European buildings and can through thermal mass significantly contribute to energy savings and renewables' integration.

Conversely, the cement industry is a significant user of biomass waste and electricity, which will both play an important role in tackling CO2 emissions from the sector. The European cement industry is a large user of waste and by-products utilizing approximately 36 million tonnes per year. In the EU in 2018, the sector substituted on average 48% of its fossil fuel consumption with non-recyclable waste derived fuels, 17% of which were biomass waste derived fuels. Within a cement kiln waste fuels are co-processed utilising the heat value from the waste fuel to substitute fossil fuels and incorporating the ash as a partial replacement of the raw materials, leaving no waste residue. In addition to providing sound solutions for some waste streams and strengthening the circular economy, this use of waste fuels and waste biomass fuels are also key for the cement industry to reduce its CO2 emissions and support our vision for a carbon neutral Europe for 2050 (please see our roadmap for more information).

When it comes to the Commission's IIA, CEMBUREAU has the following comments:

- Regardless of the level of ambition for 2030, it is absolutely essential that a thorough impact assessment is conducted by the European Commission to determine the different policy options to reach these targets and their consequences.
- Achieving climate neutrality by 2050 will require all sectors of industry and civil society to contribute to greenhouse gas (GHG) emission reductions. This will necessitate the continued program of replacing the generation of electricity by fossil fuels with renewable sources, as well as the reduction of GHG emissions from all forms of buildings and from all forms of transport.
- The objective of deeper CO2 cuts at a 2030 horizon – and of carbon neutrality by 2050 – necessitates considerable investments, and will not be met without appropriate political support. CEMBUREAU's Carbon Neutrality Roadmap makes several recommendations in terms of regulatory frameworks and concrete support measures. Furthermore, the Masterplan for a Competitive Transformation of EU Energy-intensive Industries Enabling a Climate-neutral, Circular Economy by 2050

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also contains key recommendations in this respect. Decarbonisation policies based on life-cycle analysis and full value chain approaches, as outlined in the European Green Deal, will be key.

- Referring to energy savings in buildings, much of the European building stock will require significant refurbishment to ensure buildings will meet the future needs of society and not just the application of insulation of changing of heating systems. Deep renovation of buildings can be achieved through the re-use of the building structure and the incorporation of thermal mass which allows maximise the use of renewable energy in building (see E3G study). This will reduce both the heating and more important cooling requirement, and hence GHG emissions in the future. It will enable buildings to be designed for multi-use making them more adaptable and to meet the increased demand for comfort required by society.
- Reducing GHG emissions will require changes to policy through increasing the options of smart energy integration (refer to CEMBUREAU's feedback on Preparing a future EU strategy on energy sector integration).
- In addition to hydrogen, the important role that Carbon Capture and Use (CCU) needs to planned for, which will provide a renewable source of carbon for chemical and refining industries for the future, replacing the current dependency of fossil-based feedstocks. Mineralisation and Carbon Capture and Storage (CCS) will also play major roles in reducing GHG emissions in industry (please CEMBUREAU's position paper on TEN-E revision).
- To ensure GHG reductions are made in all sectors of society, Option 5 would be the best approach adopting targets for reductions in GHG emissions for buildings and transport, providing non regulatory measures to improve awareness, introducing policies to encourage the switch to low carbon or low energy products and for buildings to take a full life cycle approach to ensure energy usage within the working life of the building is taken into account together with the working life and the end of life treatment.

CEMBUREAU stands ready to engage with policy-makers throughout the Directive (EU) 2018/2001 revision process.

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