



17th January 2022

CEWEP's Opinion on the **Draft Report** on EU ETS Revision by MEP Peter Liese

CEWEP fully supports the European Green Deal and its climate and sustainability targets. However, certain specificities have to be considered when discussing the waste sector's contribution to these goals. For this reason, CEWEP shares the concerns of the rapporteur Peter Liese on the inclusion of municipal waste incineration installations into the EU ETS in the short-term.

"Any legislative move to include waste incineration in the EU ETS should consider the complexities of the entire waste management sector and be subject to careful impact assessment, as rightly proposed by the rapporteur," said Ella Stengler, CEWEP's Managing Director.

In order to avoid collateral effects, one must take a holistic approach to waste management. Otherwise, there is a risk to steer the waste to cheaper treatment lower down the waste hierarchy or to exports to countries with lower environmental and social standards, as also acknowledged by MEP Peter Liese in his Draft Report.

It must also be ensured that the impact on the environment and human health, in terms of effective GHG emissions reduction and pollution prevention and control, as well as on competition (level-playing field) are carefully evaluated.

If emissions from Waste-to-Energy (WtE) incineration would be included into the EU ETS, a carbon pricing mechanism should also cover all sources of GHG emissions within the waste management sector. Landfills for instance, emit methane, a gas which has a much higher GHG impact than CO₂. Because of its potency, prioritising methane reductions would allow immediate contributions in the fight against climate change.

Furthermore, to address the CO₂ emission from residual plastic waste (main source of CO₂ emission in WtE plants) and achieve high-quality recycling, the entire value chain of virgin plastics (eco-design, manufacturing) and promotion of source separation must be prioritised.

WtE incineration has the pivotal role of providing a hygienic service to the society by treating waste that cannot be prevented or recycled, while enabling a clean circular economy. Additionally to diverting waste from landfills the sector already contributes to GHG emission reduction by recovering metals from the bottom ash left after incineration and substituting fossil fuels with the energy produced from residual waste.

The WtE sector is also looking into potential ways to achieve further CO₂ savings and to even become carbon negative with carbon capture and use or storage (CCUS). With this regard, the possibility for negative emissions accounting and trading as proposed by the rapporteur, could stimulate more investments in CCUS technologies within WtE plants in the next years.

If supported by EU policies, WtE will be an important enabler of the achievement of EU carbon neutrality by 2050, while keep on contributing to circular economy and sustainable waste management within the European Green Deal.

For further information, please also see our previous statement "<u>European Waste-to-Energy Sector will be fit for climate neutrality before 2050</u>" on our website and for any inquiries please contact CEWEP secretariat at info@cewep.eu, (tel. +32 2 770 63 11).

CEWEP (Confederation of European Waste-to-Energy Plants) is the umbrella association of the operators of Waste-to-Energy plants across Europe. CEWEP's members are committed to ensuring high environmental standards, achieving low emissions and maintaining state of the art energy production from remaining waste that cannot be recycled in a sustainable way.