Inception Impact Assessment on a Delegated Regulation on a climate change mitigation and adaptation taxonomy

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EGEC is the voice of the European geothermal industry. It is a not-for-profit organisation representing over 120 members across the entire value-chain located across 28 countries. Geothermal energy provides renewable heating, cooling, baseload electricity and sustainably sourced raw materials everywhere. It is included on the European Transparency Register number: 11458103335-07. Further information can be found at www.egec.org

We welcome this opportunity to comment on the upcoming Delegated Act on climate change and mitigation. For EGEC to recommend to EU policy makers to support the Delegated Act, the Technical Screening Criteria should be:

1. **Consistent**: There are significant discrepancies in the application of thresholds for some renewable energy solutions and others. This undermines the credibility of the Technical Screening Criteria and acts as a substantial competitive distortion between renewable energy solutions to whom an emission threshold was not applied and those that have an emission applied, such as geothermal energy.

   a. Geothermal energy is required to comply with a Life Cycle Emissions Threshold. This could potentially capture indirect supply-chain, production or naturally occurring emissions outside the ownership of a geothermal project. However, a similar threshold was not applied to potential supply-chain emissions in the fossil intensity of the production and transportation of wind and solar PV products. **Either the same threshold is applied consistently to all renewable energy solutions or it is removed.**

2. **Reflective of real-word standards and lifecycle assessments**: The Matrix and Threshold for geothermal should be adapted to include the latest industry standard means to conduct a Life Cycle Analysis (LCA), in particular the LCA Guidelines for Geothermal Installations manual, which has been developed by the European Commission funded GEOENVI project - Deliverable D.3.2 from Grant agreement n°818242 -- 2018-2020 – for geothermal project developers in the EU. See www.geoenvi.eu This was published in February 2020 and there was not included in the Technical Expert Group’s initial assessment.
3. **Discriminatory against** products and activities that contribute to the climate crisis and do harm or carry significant risk of harm to citizens in one or many Member States. **There can be no scope to recognise fossil fuels.** The taxonomy must only support projects that are climate neutral from the outset.

   a. Activities that support the ‘**Transition to a climate-neutral economy**’ (Article 6 1a) should be applicable for only 12 months as there is no guarantee that this fossil capacity can and will permanently mitigate all of its emissions.

   b. The threshold for Production of electricity and heating/cooling from **fossil gas** (D35.1.1) must be set at 25 grams CO2e/kWh in 2021 as this prohibits conventional gas capacity. Failure to do so is an indirect fossil fuel subsidy which undermines a level-playing field for renewable heating, cooling an electricity capacity. Furthermore, the criteria **does not account for upstream methane emissions**. The European Commission recognised that a 3% upstream methane leakage removes any potential climate benefit from the use of fossil gas.

   c. The criteria must avoid supporting fossil fuel activities that do not permanently captures and safely store CO2 emissions. Therefore, **carbon capture and utilisation (CCU)** must not be eligible for recognition as a sustainable activity as outlined in Article 6 1(e).

4. **Representative:** The proposed Sustainable Finance Platform must be confined to representatives of the finance, renewable energy, energy efficiency and other sectors that do no harm or make significant contributions to the climate crisis.

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