



Confederation of Industry of the Czech Republic's comments on the revision of the Implementing Regulation (EU) 2018/2066 on the monitoring and reporting of greenhouse gas emissions

The Commission presented on 26 July 2023 „ COMMISSION IMPLEMENTING REGULATION (EU) .../... of XXX amending Implementing Regulation (EU) 2018/2066 as regards updating the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council” (“MRR revision”). Confederation of Industry of the Czech Republic welcomes opportunity to comment on this proposal.

Approximately 4 million people are connected to District Heating (“DH”) systems in the Czech Republic. These are mostly panel blocs of flats inhabited by middle- and low-income households at risk of energy poverty. DH plants also supply the tertiary sector, including schools, hospitals, social services, small businesses and micro-enterprises. In 2020, 55% of the DH heat supplied came from coal, 11% from renewable sources and waste heat, and 27% from natural gas. The DH sector agrees to coal exit by 2030. The cost of this transformation is estimated at more than CZK 100 billion (EUR 4 billion). There is also a need to keep sufficient electricity production and provide ancillary services for the stability of the electricity grid with a growing share of electricity from intermittent sources.

In this context, we would like to raise following comments on MRR revision:

1. In Article 38(5) the 5th subparagraph should read:

„Article 29(10) of Directive (EU) 2018/2001 shall apply to an installation as defined in Article 3(e) of Directive 2003/87/EC **or part of an installation or a process within an installation where biomass is actually used.**“

Justification:

The requirement to meet the greenhouse gas emission savings criteria according to the Article 29(10) of Directive (EU) 2018/2001 (“RED”) on the level of the whole EU ETS installation according to the definition of Directive 2003/87/EC means that the installation cannot be gradually modernized to biomass but must be changed all at once otherwise it cannot fulfil the RED requirements. This “all at once change” approach is not technically, economically or logistically possible in the case of larger facilities with multiple boilers and other heat sources. This requirement thus greatly limits and hampers the possibility of switching from fossil fuels to biomass and thus undermines the necessary investments to meet “Fit for 55” goals in larger EU ETS installations. The obligations to meet the Article 29(10) of Directive (EU) 2018/2001 greenhouse gas emission savings criteria should only be met at the level of the part of the EU ETS installation actually uses the biomass.

2. In Annex VI, Section 1, Table 1, the row inserted after the 47th row (concerning ‘Waste tyres’) should read:

„Municipal waste (non-biomass fraction) ~~91.7~~ **73.3** n.a. IPCC 2006 GL”

Justification:

Based on the operational experience of waste-to-energy installations in the Czech Republic using residual municipal solid waste (“MSW”) as input fuel and considering the remaining flammable materials in residual MSW, the Emission factor (t CO₂/TJ) for “municipal waste (non-biomass fraction)” should be rather derived from liquid fuels factors, mainly “crude oil”. IPCC 2006 EFDB (Emissions factor database) Source/Sink Category: Waste (4), Incineration and Open Burning of Waste (4.C), Waste Incineration (4.C.1) indicates a range of peer-reviewed values based on different assumptions: EF ID 621666 Denmark 27 – 40 kg CO₂/GJ MSW (means approx. 67,5 – 100 kg CO₂/GJ of MSW non-biomass fraction), EF ID 621668 China 111 – 254 kg CO₂/t MSW (means approx. 27,8 – 63,5 kg CO₂/GJ of MSW non-biomass fraction), EF ID 621674 and 621675 Austria 316 – 511 kg CO₂/t MSW (means approx. 79,0 – 127,8 kg CO₂/GJ of MSW non-biomass fraction). So there are significant differences in values for MSW across the IPCC 2006 EFDB.

Contact point for further information:

ZUZANA SÁDLOVÁ

Energy Industry Manager

CONFEDERATION OF INDUSTRY OF THE CZECH REPUBLIC

Economic affairs

Freyova 948/11 | 190 00 Prague 9

Mobile: (+420) 703 154 238

zsadlova@spcr.cz