

Feedback on ETS1 call for evidence

The [Alliance for Low-Carbon Cement and Concrete \(ALCCC\)](https://allianceccc.com/) – made up of leading innovative business and stakeholders across the value chain – is committed to decarbonising cement and concrete, targeting net-zero by 2040. Proven, scalable and cost-effective solutions exist today. It is on the shoulder of legislators to make them the norm in the EU and beyond. As outlined in our [roadmap](#), this requires policy frameworks to be established in which clean technologies thrive ; a strengthening of the single market through standards ; and the creating of lead markets and stable finance.

We welcome the opportunity provided by the European Commission to give feedback on the EU ETS call for evidence. To further improve its effectiveness and impact, we would like to highlight the following points:

- 1) **We strongly believe in the added value of the EU ETS and MSR.** The regulatory framework is essential for Europe to deliver on its climate objectives, as well as foster and promote to transition to a clean and competitive industry. A strong and stable carbon price serve as a key driver for investments in the many proven, scalable and cost-effective solutions that can drastically accelerate cement and concrete decarbonisation in the years ahead.
- 2) **To date, the EU ETS has underdelivered on sectors like cement.** This can directly be attributed to the high levels of free allocation in the market, often even surpassing actual emissions. Furthermore, for cement, free allocation is based on a clinker-based benchmark, as such disincentivising clinker substitution. This is hugely problematic as the latter is the most impactful and cost-effective decarbonisation lever for our sector. Furthermore, it creates a lack of level-playing-field towards the wide range of technologies that reduce the need for traditional Portland clinker.
- 3) **We consider the MSR fit for purpose.** So far, the MSR has guaranteed a stable and strong carbon price. This is crucial for the functioning of the EU ETS and should be preserved at all costs.
- 4) **Level-up investments to the full spectrum of clean cement and concrete technologies.** To date the innovation fund (IF) has exclusively supported the deployment of CCS technologies in cement. While important, we believe a more diversified approach is urgently needed in response to the wide range of other cost-effective cleantech solutions on the market. Moving forward, it is key for the IF and the forthcoming industrial decarbonisation bank (IDB) to level-up investments to the full spectrum of clean cement and concrete technologies. Under no circumstance, access to the IF and IDB should be restricted to incumbent ETS installations only.