



**Central Europe Energy Partners' POSITION ON THE DRAFT DELEGATED REGULATION supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives**

**Central Europe Energy Partners** (CEEP), an organisation which represents interests of companies from Central Europe, welcomes the possibility to provide feedback on the technical screening criteria (Annex I and II) of EU Taxonomy for climate change mitigation and climate change adaptation.

We are fully committed to meeting the ambitious energy and climate targets and building a carbon neutral economy by 2050. We strongly believe that climate change remains one of the most urgent challenges and in order to accelerate our actions to reach the 1.5 degree ambition, we need to put our efforts on developing sustainable financing, in particular, cost-effective electrification, low carbon electricity and zero emission vehicles.

The Delegated Act is an important step to establish an EU classification system for sustainable activities and to help investors and companies access green financing. However, the initial proposal by the European Commission introduces several uncertainties, especially in the calculating methodology, which needs to be addressed if the Delegated Act is to be effective.

Central European Energy Partners and our member companies would like to provide suggestions and drafting remarks that could help to address these concerns. Our general remarks on the approach are supplemented by a proposal of drafting remarks included at the end of this position paper (from page 5).

## **1. Production of energy**

The energy transition will require flexibility in achieving the climate goals. The production processes for energy and electricity will require the utilisation of a range of diversified technologies. No single technology can deliver the expected results. In contrast, the draft Delegated Act sets criteria which drastically limit the technologies which will be available for the production of energy, inter alia electricity.

While it is obvious that some technologies based especially on coal and with the highest carbon footprint should be gradually phased out, other technologies may still play a crucial role in



meeting the climate goals and making the energy transition happen. The utilisation of natural gas in heat and power generation (including cogeneration) for example, may allow for a quick decarbonisation of some economies, especially those which are still heavily dependent on coal. This is the case especially for some Central European Members States i.e. Poland, Bulgaria, Romania, which have made a huge effort in developing the “switch to gas policy”. The new taxonomy system catches these economies in the middle of implementing this policy, seriously jeopardizing their efforts to meet the EU climate objectives.

The new Delegated Act introduces, horizontally, across a number of economic activities, a criterium of 100 gCO<sub>2e</sub>/kWh emission threshold which distinguishes activities that mitigate/adapt to the climate change, from those that do not. CEEP believes that considering the current trends in the EU energy sectors, this threshold eliminates technologies which can and would contribute to tackling climate change, inter alia the technologies based on the utilisation of natural gas. CEEP stands strongly against this approach and believes that at least in the transition period – up to 2030 – financing investments in gas generation should not be disincentivised, especially in regions and countries where gas generation is to replace existing coal generation.

Therefore, CEEP calls on the EU to introduce, along the 100 gCO<sub>2e</sub>/kWh, an additional threshold of maximum 400 gCO<sub>2e</sub>/kWh of direct emission, which would be used to indicate installations which may still contribute to tackling climate change, during the interim period of up to 2030. This is also in line with the December 2020 European Council conclusions stating that gas would remain a transitional fuel. With this new approach, those Member States and industries, which have already taken steps to switch from coal to gas, will have an opportunity to finalise this process, and significantly decrease their CO<sub>2</sub> emissions.

CEEP also believes that in addition to maintaining the role of natural gas a transitional fuel in electricity production it can also play a key role transport sector to allow for its swift decarbonisation. The role of LNG, CNG and biomethane in the transport and energy sector is increasing and the financial opportunities for further investments in this segment should be maintained at least until the hydrogen technologies are mature enough to take over.

## **2. Production of chemicals**

Central and Eastern European chemical sector companies are primarily concerned with the heavy burden of the new threshold introduced in point 3.14 on the production of ammonia. Most Central and Eastern European installations used in the chemical industry cannot currently meet the proposed threshold criterium and as a result would not be able to operate following the entry into force of the Delegated Act. This in consequence will lead to adverse economic

impact on the EU chemical sector, as well as an obvious incentive for moving the production to 3rd countries causing additional carbon leakage.

The Central European chemical sector is ready to contribute to the climate neutrality principle of our economy. However, for an industry already burdened with several limitations resulting from the ETS system, the creation of an additional obstacle which limits the industry's access to financial markets, may only further worsen its competitiveness on the global scale and lead to negative effects for the EU economy, rather than help in limiting the GHG emissions.

The industry requires a stable and predictable pathway, which could allow it to gradually introduce new investments and solutions aimed at limiting the CO<sub>2</sub> emissions in the ammonia production processes. Therefore, CEEP calls on the EU not to introduce a single threshold for the emissions of CO<sub>2</sub> from ammonia production. Instead CEEP calls on the EU to introduce a predictable pathway consisting of a trajectory of thresholds for the years 2020 – 2050 with respects to emissions per tonne of ammonia produced. At least until 2030, all modernization projects that reduce CO<sub>2</sub> emissions and comply with (Best Available Technologies) BAT should be eligible for EU funding. This way the industry will have an opportunity to mobilise financial resources needed for the construction of new climate friendly infrastructure, fulfilling the EU energy and climate policy goals.

### **3. Transmission and distribution of electricity and gas**

CEEP stresses that the remarks included in point 1 are also valid hereto. Should the Delegated Act be approved by the EU as it is now, the inability to finalize the switch from coal to gas policy by certain Members States, will create a snowballing effect on various sectors. The greatest impact will be felt by the transmission and distribution systems (both electricity and gas) and their operators.

With a possible halt on investments in gas fired power generation, some Member States, including Poland, Romania and Bulgaria, will observe a developing capacity gap in their electricity sectors and networks. Should the gas fired power plants, that have already been envisaged by the investment plans of a number of project promoters, not be commissioned, the electricity TSOs will be left with an increasing gap of generating capacities in the systems they manage.

The significance of this phenomenon is even higher when we take into consideration that planned gas power plants are often envisaged as a replacement of coal fired plants and are to act as a stable generation base of the transmission systems. In consequence, the transmission system operators will be left with a gap in availability of generation sources which can be used to stabilise the operations of their systems. This gap cannot be filled with various renewable

energy sources in the current state of technological development. Moreover, with the increasing share of various RES, the need for backup capacity will be even higher. This creates a serious threat to the stability and security of operations of the electricity transmission systems.

In a short and medium perspective (2025 – 2030) this gap may not be filled with any other kind of power generation different than nuclear. However, the investment cycle for nuclear power plants is longer than 10 years and closer to 15-20 years. As a result, should the financing instruments for stable gas fired power generation be limited, we should expect growth problems for managing the operations of the electricity transmission systems across a number of states in Central Europe.

CEEP calls on the EU to reflect on this phenomenon together with ENTSO-E and to introduce provisions which will allow categorising the investments in:

- stable gas fired power generation;
- transmission infrastructure required for their connection to the grid;
- transmission infrastructure required for operating these systems.

to mitigating the climate risks. These provisions should be based on the consideration that where new gas fired power generation is constructed in the switch from coal to gas process, mitigating the 400 gCO<sub>2</sub>e/kWh threshold of direct emission indicated in point 1 of this paper, can still substantially contribute to tackling climate change.

#### **4. Methodology for calculating the emissions from life cycle**

The draft Delegated Act introduces emission thresholds, which should be calculated as XX gCO<sub>2</sub>e/kWh either of “direct emissions” (Annex II, point 4) or in the life cycle (Annex I, point 4). CEEP calls on the Commission to reflect whether introducing an additional problem of how to choose the right methodology for calculating the life cycle emissions to an already complicated Delegated Acts is necessary and whether it will not derail the taxonomy exercise for the energy sector.

For the time being there is no clear methodology on how to calculate the life cycle emissions, which would be agreed upon globally, in the EU or in the industry. Developing this methodology would take years, if at all possible. Additional time would be needed to create a data collection and monitoring system. As a result, the effective implementation of the taxonomy Delegated Act would not be possible before the end of this decade. If so, corners would have to be cut, and the financial institutions would be deemed to use unreliable and questionable methods of assessing the life cycle emissions of various technologies. This would

result in inconsistencies and legal uncertainties across institutions and sectors, jeopardizing the competitiveness and creating serious risk of misjudgments.

A simple way to bypass this risk is to consistently apply the “direct emission” approach instead of “life cycle” approach across the Delegated Act. CEEP believes that this is a crucial element which needs to be addressed in order for the taxonomy system to function effectively.

**Central Europe Energy Partners’ (CEEP) recommendations for Annex I of Commission Delegated Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council**

<p><b>3.2. Manufacture of equipment for the production of hydrogen</b></p>
<p><i>Technical screening criteria</i></p> <p>Substantial contribution to climate change mitigation</p> <p>The economic activity manufactures <u>renewable and low-carbon</u> hydrogen <u>production electrolysis</u> technologies.</p>
<p><b>3.14. Manufacture of anhydrous ammonia</b></p>
<p><i>Technical screening criteria</i></p> <p>Substantial contribution to climate change mitigation</p> <p>GHG emissions from the manufacture of ammonia are lower than:</p> <ul style="list-style-type: none"> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of ammonia – in 2021 – 2030</u></li> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of ammonia – in 2031 – 2040</u></li> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of ammonia – in 2041 – 2050</u></li> </ul>
<p><b>4.7. Electricity generation from gaseous and liquid fuels</b></p>
<p><i>Technical screening criteria</i></p> <p>Substantial contribution to climate change mitigation</p> <p>1. <u>Life-cycle Direct</u> GHG emissions from the generation of electricity using gaseous and liquid fuels are lower than <del>100</del> <u>400gCO<sub>2</sub>e/kWh</u>.</p>

~~Life-cycle GHG emissions are calculated based on project specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.~~

~~Quantified life cycle GHG emissions are verified by an independent third party~~

#### 4.8. Electricity generation from bioenergy

##### *Description of the activity*

Construction and operation of electricity generation installations that produce electricity from biomass, biogas, **biomethane** and biofuels.

##### *Technical screening criteria*

Substantial contribution to climate change mitigation  
(...)

2. The greenhouse gas emission savings from the use of biomass are at least ~~80%~~ **70%** in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

#### 4.9. Transmission and distribution of electricity

Substantial contribution to climate change mitigation

The activity complies with one of the following criteria:

**1. The transmission and distribution infrastructure or equipment in the system is the interconnected European system, i.e. the interconnected electricity system covering the interconnected control areas of Member States, Norway, Switzerland and the United Kingdom, and its subordinated systems;**

**COMMENT:** The wording of this point lacks legal clarity. There is no understanding whether the controlled areas refers to for example: i) the synchronized areas in the EU, or ii) the energy islands like Cyprus and Malta, or iii) to energy clusters within the EU energy systems. All the above may be derived from this definition. We call on the Commission to clearly indicate its intention in this point.

2. The transmission and distribution infrastructure or equipment is in a system which complies with one or both of the following criteria

- more than 67 % of newly connected generation capacity in the system where the infrastructure or equipment is to be installed is either:
  - below the generation threshold value of 100 gCO<sub>2</sub>e/kWh ~~measured on a life cycle basis~~ **of direct GHG emission** in accordance with electricity generation criteria,

over a rolling five-year period, as disclosed to the TSO by the installation owner/operator;

- below the generation threshold value of 400gCO<sub>2</sub>e/kWh of direct GHG emissions, as provided to the TSO by the project owner/operator, for installation using gaseous and liquid fuels for generation of electricity,

- an average system grid emissions factor, that is calculated as the total annual emissions from power generation, based on data provided to the TSO by the owners/operators of the generating installations, divided by the total annual net electricity production in that system, is below the threshold value of 100 gCO<sub>2</sub>e/kWh ~~measured on a life-cycle basis~~ of direct GHG emissions, in accordance with electricity generation criteria, over a rolling five-year average period;

3. The transmission and distribution infrastructure or equipment is not dedicated to creating a direct connection, or expanding an existing direct connection to a power production plant that is more CO<sub>2</sub> intensive than:

- 100 gCO<sub>2</sub>e/kWh ~~measured on a life-cycle basis~~ of direct GHG emissions, as disclosed to the TSO by the project promoter, or
- the threshold of 400gCO<sub>2</sub>e/kWh of direct GHG emissions, as disclosed to the TSO by the project operator/owner, for installation using gaseous and liquid fuels for generation of electricity.

4. The activity is one of the following:

(a) construction and operation of direct connection, or expansion of existing direct connection, of low carbon electricity generation below:

- the threshold of 100 gCO<sub>2</sub>e/kWh ~~measured on a life-cycle basis~~ of direct GHG emissions, as disclosed to the TSO by the project promoter, or
- the threshold of 400gCO<sub>2</sub>e/kWh of direct GHG emissions, as provided to the TSO by the project operator/owner, for installation using gaseous and liquid fuels for generation of electricity.

to a substation or network;

(b) construction and operation of electronic vehicle (EV) charging stations and supporting electric infrastructure for the electrification of transport, subject to eligibility under the transport Section of this Annex;

(c) installation of transmission and distribution transformers that comply with the Tier 2 (1 July 2021) requirements set out in Annex I to the Commission Regulation (EU) No 548/2014282 and, for medium power transformers with highest voltage for equipment not exceeding 36 kV, with AAA0 level requirements on no-load losses set out in standard EN 50588-1.

(d) construction/installation and operation of equipment and infrastructure where the main objective is an increase of the generation or use of renewable electricity generation;

(e) installation of equipment to increase the controllability and observability of the electricity system and to enable the development and integration of renewable energy sources, including:

(i) sensors and measurement tools (including meteorological sensors for forecasting renewable production);

(ii) communication and control (including advanced software and control rooms, automation of substations or feeders, and voltage control capabilities to adapt to more decentralised renewable infeed).

(f) installation of equipment to carry information to users for remotely acting on consumption, including customer data hubs;

(g) construction/installation of equipment to allow for exchange of specifically renewable electricity between users;

(h) interconnectors between transmission systems are eligible, provided that one of the Commission Regulation (EU) No 548/2014 of 21 May 2014 on implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to small, medium and large power transformers (OJ L 152, 22.5.2014, p. 1).

5. For the purpose of this Section, a ‘system’ means the transmission or distribution network ~~control area of the network or system operator(s) where the activity takes place~~ **in accordance with Directive 2009/72 definitions.**

**COMMENT: We believe that the existing legal framework should be used when referring to existing definitions of TSs and DSs.**

6. For the purposes of this Section, the following specifications apply:

(a) the rolling five-year (average) period used in determining compliance with the thresholds is based on historic data, and includes the year for which the most recent data are available;

(b) transmission systems may include generation capacity connected to **subordinated** distribution systems;

(c) distribution systems **subordinated** to a transmission system that is deemed to be on a trajectory to full decarbonisation may also be deemed to be on a trajectory to full decarbonisation;

**COMMENT: The draft delegated act does not provide legal clarity on the definition of the subordinate system. Does the subordination constitute an operational or capital dependency? Is this relation derived from the rigid division between the voltage criterion between power lines or by the capital ownership of substation on the borders of the system. These questions need to be answered if the criteria are to be effective.**

(d) to determine eligibility, it is possible to consider a system covering multiple control areas which are interconnected and with **significant** energy exchanges between them, in which case the weighted average emissions factor across all included control areas is used to determine eligibility,

and individual subordinated transmission or distribution systems within that system is not required to demonstrate compliance separately;

**COMMENT:** What is the definition of “significant” energy exchanges needs to be specified.

(e) it is possible for a system to become ineligible after having previously been eligible. In systems that become ineligible, no new transmission and distribution activities are eligible from that moment onward, until the system complies again with the threshold (except for those activities which are always eligible, see above). Activities in subordinated systems may still be eligible, where those subordinated systems meet the criteria of this Section;

(f) a direct connection or expansion of an existing direct connection to production plants includes infrastructure that is indispensable to carry the associated electricity from the power generating facility to a substation or network.

**COMMENT:** There needs to be a clear definition which specifies the difference between "extra high-voltage" and "high-voltage".

#### **4.12 Storage of hydrogen**

##### *Description of the activity*

Construction and operation of facilities that store hydrogen **or blends of natural gas/biomethane and hydrogen** and return it at a later time.

The activity has no dedicated NACE code in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

The activity is an enabling activity in accordance with Article 10(1), point (i), **or in case of blends a transitional activity as referred to in Article 10(2)** of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.

##### *Technical screening criteria*

Substantial contribution to climate change mitigation

The activity is one of the following:

(a) construction of hydrogen storage facilities **and facilities for storage of blends of natural gas/biomethane and hydrogen.**

(b) operation of **hydrogen** storage facilities where the hydrogen stored in the facility **(also in blends of natural gas/biomethane and hydrogen)** meets the criteria for manufacture of hydrogen set out in Section 3.9. of this Annex.

#### **4.13. Manufacture of biogas and biofuels for use in transport**

*Description of the activity*

Manufacture of biogas (including enrichment to biomethane) or biofuels for use in transport.

**4.14. Transmission and distribution networks for renewable and low-carbon gases**

*Description of the activity*

Construction and retrofit (repair, rebuild and renovation) ~~Repurposing~~ of gas networks for the distribution of gaseous fuels through a system of mains.

Construction and retrofit (repair, rebuild and renovation) ~~Repurposing~~ of gas networks for ~~long distance~~ transport of renewable and low-carbon gases, including blended with natural gas, by pipelines.

Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.

Construction, retrofit or operation of transmission and distribution pipelines contributing to PM and/or GHG emission reduction or facilitating gradual deployment of renewable or low-carbon gases.

The activity is classified under NACE codes D35.22, F42.21 and H49.50 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.

*Technical screening criteria*

Substantial contribution to climate change mitigation

1. The activity consists in one of the following:

(a) construction, retrofit or operation of new transmission and distribution networks contributing to PM and/or GHG emission reduction or facilitating gradual deployment of hydrogen, renewable ~~dedicated to hydrogen or other~~ or low-carbon gases;

(b) construction, retrofit or operation of gas transmission and distribution networks contributing to PM and/or GHG emission reduction or facilitating gradual deployment of hydrogen, renewable or low-carbon gases.

~~(b-c)~~ conversion/repurposing of existing natural gas networks to allow for transport of up to 100 % hydrogen or hydrogen and natural gas blends and retrofit of gas transmission and distribution networks, where the main purpose is the integration of hydrogen, ~~and other~~ low-carbon and renewable gases, including any gas transmission or distribution network ~~activity~~, which enables

the network to increase the blend of hydrogen or other low carbon **and renewable** gasses in the gas system;

#### 4.19. Cogeneration of heat/cool and power from gaseous and liquid fuels

##### *Technical screening criteria*

Substantial contribution to climate change mitigation

1. ~~The life-cycle~~ **Direct** GHG emissions from the co-generation of heat/cool and power from gaseous and liquid fuels are lower than ~~400g~~ **270g** CO<sub>2</sub>e per 1 kWh of energy input to the co-generation.

**2. Is in line with the Energy Efficiency Directive definition of high-efficiency cogeneration, when switching to gas in the EU Member States reliant on coal.**

~~Life-cycle GHG emissions are calculated based on project specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.~~

~~Quantified life-cycle GHG emissions are verified by an independent third party.~~

#### 4.20. Cogeneration of heat/cool and power from bioenergy

##### *Description of the activity*

Construction and operation of installations used for cogeneration of heat/cool and power from biomass, **biogas and biomethane.**

(...)

#### 4.23. Production of heat/cool from gaseous and liquid fuels

##### *Technical screening criteria*

Substantial contribution to climate change mitigation

1. ~~The life-cycle~~ **Direct** GHG emissions from the generation of heat/cool using gaseous and liquid fuels<sup>362</sup> are lower than ~~400g~~ **270g** CO<sub>2</sub>e/kWh.

~~Life-cycle GHG emissions are calculated based on project specific data, where available, using Commission Recommendation 2013/179/EU or, alternatively, using ISO 14067:2018 or ISO 14064-1:2018.~~

~~Quantified life-cycle GHG emissions are verified by an independent third party.~~

#### 4.24. Production of heat/cool from bioenergy

*Description of the activity*

Construction and operation of facilities that produce heat/cool from biomass, **biogas and biomethane.**

(...)

#### 5.6. Anaerobic digestion of sewage sludge

*Description of the activity*

Construction and operation of facilities for the treatment of sewage sludge by anaerobic digestion with the resulting production and utilisation of biogas or chemicals **and facilities for upgrade of biogas to biomethane.**

#### 5.7. Anaerobic digestion of bio-waste

*Description of the activity*

Construction and operation of dedicated facilities for the treatment of separately collected bio-waste through anaerobic digestion with the resulting production and utilisation of biogas and digestate and/or chemicals **and facilities for upgrade of biogas to biomethane.**

#### 5.10. Landfill gas capture and utilisation

*Description of the activity*

Installation and operation of infrastructure for landfill gas capture and utilisation in permanently closed landfills using new or supplementary dedicated technical facilities and equipment installed during or post landfill closure **and facilities for upgrade of biogas to biomethane.**

#### 6.3. Urban, suburban and road passenger transport

*Technical screening criteria*

Substantial contribution to climate change mitigation

**The activity complies with one or more of the following criteria:**

(a) the direct (tailpipe) CO<sub>2</sub> emissions of the vehicles are zero.

**(b) it can be demonstrated that use of an alternative fuel, including LNG and CNG, contributes to significant reductions as regards NO<sub>x</sub> by at least 50%, as regards CO<sub>2</sub> by at least 15%, and as regards PM by at least 60%, in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**

## 6.6. Freight transport services by road

### *Technical screening criteria*

Substantial contribution to climate change mitigation

1. Vehicles with a technically permissible maximum laden mass not exceeding 7,5 tonnes are ‘zero-emission heavy-duty vehicles’ as defined in Article 3, point (11), of Regulation (EU) 2019/1242 **or it can be demonstrated that use of an alternative fuel, including LNG and CNG, contributes to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**
2. Vehicles with a technically permissible maximum laden mass exceeding 7,5 tonnes are ‘zero-emission heavy-duty vehicles’, as defined in Article 3, point (11), of Regulation (EU) 2019/1242 or ‘low-emission heavy-duty vehicles’ as defined in Article 3, point (12), of that Regulation **or it can be demonstrated that use of an alternative fuel, including LNG and CNG, contributes to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**
3. Vehicles are not dedicated to transporting fossil fuels.

## 6.10. Sea and coastal freight water transport

### *Technical screening criteria*

Substantial contribution to climate change mitigation

1. The activity complies with one or more of the following criteria:
  - (a) the vessels have zero direct (tailpipe) CO<sub>2</sub> emissions **or it can be demonstrated that use of an alternative fuel, including LNG and CNG, contributes to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**

## 6.11. Sea and coastal passenger water transport

### *Technical screening criteria*

Substantial contribution to climate change mitigation

1. The activity complies with one or more of the following criteria:
  - a) the vessels have zero direct (tailpipe) CO<sub>2</sub> emissions **or it can be demonstrated that use of an alternative fuel, including LNG and CNG, contributes to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852;**

#### 6.12. Retrofitting of sea and coastal freight and passenger water transport

*Technical screening criteria*

Substantial contribution to climate change mitigation

1. Until 31 December 2025, the retrofitting activity reduces fuel consumption of the vessel by at least 10 % expressed in grams of fuel per deadweight tons per nautical mile, as demonstrated by computational fluid dynamics (CFD), tank tests or similar engineering calculations **or significantly reduces fuel emissions of the vessel as regards NO<sub>x</sub> by at least 50%, as regards CO<sub>2</sub> by at least 15%, and as regards PM by at least 60%.**

#### 6.15. Infrastructure enabling low-carbon road transport

*Technical screening criteria*

Substantial contribution to climate change mitigation

1 The activity complies with one or more of the following criteria:

(a) the infrastructure is dedicated to the operation of vehicles with zero tailpipe CO<sub>2</sub> emissions: electric charging points, electricity grid connection upgrades, hydrogen fuelling stations or electric road systems (ERS); **or is dedicated to the operation of vehicles that use of an alternative fuel, including LNG and CNG, contributing to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**

#### 6.16. Infrastructure for water transport

*Technical screening criteria*

Substantial contribution to climate change mitigation

1. The activity complies with one or more of the following criteria:

(a) the infrastructure is dedicated to the operation of vessels with zero direct (tailpipe) CO<sub>2</sub> emissions: electricity charging, hydrogen-based refuelling, **or is dedicated to the operation of vehicles that use of an alternative fuel, including LNG and CNG, contributing to CO<sub>2</sub> and PM emissions reductions in accordance with the meaning of a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852**

**Central Europe Energy Partners' (CEEP) recommendations for Annex II of Commission Delegated Regulation supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council**

<p><b>3.14. Manufacture of anhydrous ammonia</b></p>
<p>Do no significant harm ('DNSH')</p> <p>(1) Climate change mitigation</p> <p>The manufacturing of anhydrous ammonia has greenhouse gas emissions<sup>250</sup> lower than:</p> <ul style="list-style-type: none"> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of anhydrous ammonia – in 2021 – 2030</u></li> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of anhydrous ammonia – in 2031 – 2040</u></li> <li>- <u>[xxx] tCO<sub>2</sub>e per tonne of anhydrous ammonia – in 2041 – 2050</u></li> </ul>
<p><b>4.7. Electricity generation from gaseous and liquid fuels</b></p>
<p>Do no significant harm ('DNSH')</p> <p>(1) Climate change mitigation</p> <p>The direct GHG emissions of the activity are lower than <del>270</del> <u>400gCO<sub>2</sub>e/kWh.</u></p>
<p><b>4.9. Transmission and distribution of electricity</b></p>
<p>Description of the activity</p> <p>Construction and operation of transmission systems that transport electricity on the extra high-voltage and high-voltage interconnected system and construction and operation of distribution systems that transport electricity on high-voltage, medium-voltage and low - voltage distribution systems where, <u>one of the following criterion is met:</u></p> <p><b><u>COMMENT:</u></b></p> <ol style="list-style-type: none"> <li><b>1. There is a discrepancy between Annex 1 and 2 with respect to point 4.9. In Annex 1 the condition is to meet one of the criteria, in Annex 2 this is no longer indicated. We consider this an unintentional omission, as it is physically impossible to meet alle the criteria in the same time.</b></li> <li><b>2. In addition, all the changes we proposed in Annex 1 for point 4.9 are valid for Annex 2 point 4.9 as well.</b></li> </ol>
<p><b>4.14. Transmission and distribution networks for renewable and low-carbon gases</b></p>
<p><i>Description of the activity</i></p> <p><b><u>Construction and retrofit (repair, rebuild and renovation)</u></b> <del>Repurposing</del> of gas networks for the distribution of gaseous fuels through a system of mains.</p>

**Construction and retrofit (repair, rebuild and renovation) Repurposing** of gas networks for ~~long distance~~ transport of renewable and low-carbon gases, **including blended with natural gas**, by pipelines.

Construction or operation of transmission and distribution pipelines dedicated to the transport of hydrogen or other low-carbon gases.

**Construction, retrofit or operation of transmission and distribution pipelines contributing to PM and/or GHG emission reduction or facilitating gradual deployment of renewable or low-carbon gases.**

The activity is classified under NACE codes D35.22, F42.21 and H49.50 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

**The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.**

*Do no significant harm ('DNSH')*

(1) Climate change mitigation

~~The repurposing does not increase gas transmission and distribution capacity.~~

The repurposing does not extend the lifespan of the networks beyond their pre-retrofit projected lifespan, unless the network is dedicated to hydrogen, ~~or~~ other low-carbon gases **or blending thereof.**