



EUROPEAN SUPPLIERS
OF WASTE-TO-ENERGY
TECHNOLOGY

ESWET'S COMMENTS ON THE PUBLIC CONSULTATION ON THE REVISION OF THE EU EMISSIONS TRADING SYSTEM (EU ETS)



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ESWET welcomes the opportunity to contribute to the revision of the EU ETS. We believe that the waste management sector can greatly contribute to reaching climate neutrality by 2050 and that energy recovery from non-recyclable waste will play a major role in the transition to a more sustainable economy, as a part of the Effort Sharing Regulation.

However, ESWET would like to underline that including energy recovery from non-recyclable waste into the EU ETS would likely mean increasing the greenhouse gas (GHG) emissions from the waste management sector. This is because the EU ETS is not fit to foster GHG reductions in the waste management sector. Indeed, the waste management sector's GHG impact is not limited to direct CO₂ emissions: it also includes other factors, such as methane emissions from landfills, energy savings through recycling, and GHG emissions offset by energy recovery.

If waste incineration were included in the EU ETS, **the only way to significantly cut direct CO₂ emissions from the plants would be to stop treating non-recyclable waste.** However, Waste-to-Energy is complementary to recycling¹ as its mission is precisely to take care of the waste which is not suitable for recycling, the so-called residual waste. This waste is a fact and it will not just disappear, as conservative estimates foresee a gap in residual waste treatment capacity in the future².

The inclusion of waste incineration in the EU ETS would have two negative consequences:

First, less energy would be recovered, meaning a possible increase in fossil fuel demand. Waste-to-Energy plants carry out energy recovery with about half of their energy output being considered renewable under the Renewable Energy Directive. The energy recovered from waste is turned into heat and electricity for respective networks, thus providing an alternative to intermittent energy sources. Should less energy be recovered in Waste-to-Energy plants, there would be an increased need for other constant sources of renewable energy. Especially when variable renewable energy sources are not able to match the demand due to their inherent fluctuations. In other words, diverting waste from thermal treatment would likely have to be balanced by the use of fossil fuels, which would run absolutely counter the objective of the EU ETS.

1) For instance, see this statement of the recycling industry: <https://www.euric-aisbl.eu/position-papers/item/300-statement-on-issues-stemming-from-the-lack-of-capacity-for-ultimate-residual-waste>

2) CEWEP peer-reviewed calculation tool: <https://www.cewep.eu/circular-economy-calculator/>

Second, the non-recyclable waste diverted from thermal treatment will then either be landfilled or transported outside the EU ETS zone, potentially to be treated in countries with less stringent environmental standards:

- Current issues regarding international waste shipments are already significant as stressed, for instance, in the recent Interpol's report on plastic waste crimes³. We believe that the inclusion of energy recovery within the EU ETS would only exacerbate this trend. Waste transportation for its incineration outside the EU ETS zone does not reduce CO₂ emissions since the waste would still be thermally treated, in addition to the increase of transport-related CO₂ emissions. Moreover, there is a risk that a sudden increase in exported waste triggers a detrimental effect on the quality of their treatment, far from EU standards⁴.
- Landfilling, which is the least desirable solution for waste treatment according to the Waste Framework Directive, could mean a significant increase in methane emissions, which is a GHG 84 times more potent than CO₂ over a 20-year period (IPCC). The overall GHG impact of diverting waste from thermal treatment to landfills is not desirable. This resulting situation would also run counter the logic of the waste hierarchy established by the Waste Framework Directive where landfilling (a disposal operation) should be a last-resort option for ultimate residual waste⁵.

Moreover, including waste incineration in the EU ETS would likely have a negative impact on the Members States' objectives of reaching 65% minimum recycling rates and 10% maximum landfilling rates by 2035.

Energy recovery remains the best alternative to landfilling when it comes to dealing with waste unsuitable for recycling. Applying the obligations of the EU ETS on energy recovery from waste would not only hurt climate mitigation but would also affect the circular economy objectives.

You can find the ESWET's proposal in the following page.

3) *Emerging criminal trends in the global plastic waste market since January 2018: <https://www.interpol.int/en/News-and-Events/News/2020/INTERPOL-report-alerts-to-sharp-rise-in-plastic-waste-crime>*

4) *See aforementioned [Interpol's report](#)*

5) *https://ec.europa.eu/environment/green-growth/waste-prevention-and-management/index_en.htm*

ESWET'S PROPOSAL

ESWET invites the Commission to keep waste incineration out of the EU ETS, not to hamper the waste management sector's contribution to climate neutrality. Waste incineration would remain under the scope of the Effort Sharing Regulation and would follow its reviewed rules to meet the new climate objectives for 2030 and 2050. This would allow for the better application of the Waste hierarchy established under the Waste Framework Directive.

If waste incineration were nonetheless included within the scope of the EU ETS, it would require to:

1) Take into account not only direct emissions but also the offset of carbon emissions in Waste-to-Energy plants:

- Recognise the CO₂ advantage of processing waste in energy recovery plants instead of disposing of waste into landfills and consider this factor for ETS calculations;
- Take into account carbon emissions offset through material recovery in Waste-to-Energy plants as it prevents energy-consuming extraction of virgin materials and consider this factor for ETS calculations;
- Take into account carbon emissions offset through energy recovery in Waste-to-Energy plants as it substitutes for fossil fuels as a source of continuous energy, and consider this factor for ETS calculations.
- Recognise captured and stored biogenic CO₂ emissions as negative emissions;
- Consider the negative emissions of energy recovery combined with carbon capture and storage for ETS calculations;
- Assess what measures could be taken in order to make CCUS economically viable for covered sectors, including Waste-to-Energy, for instance by using the revenues of the EU ETS to better support negative emission technologies.

2) Avoid the creation of disruptive effects on EU waste management systems:

- Assess options not to artificially make landfills the most economically attractive option for residual waste treatment, possibly by similarly covering methane emissions in relevant legislative tools;
- Establish a financial incentive through relevant legislative tools to prevent an increase in the export of waste to non-OECD countries with less stringent waste management standards, which would not participate in GHG emissions reduction.

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ESWET is a European association representing the European suppliers of Waste-to-Energy technologies, committed to foster the development and dissemination of Waste-to-Energy at the European level. ESWET also seeks to raise the awareness of the positive implications of the technology in terms of better waste management, energy and for the environment.

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