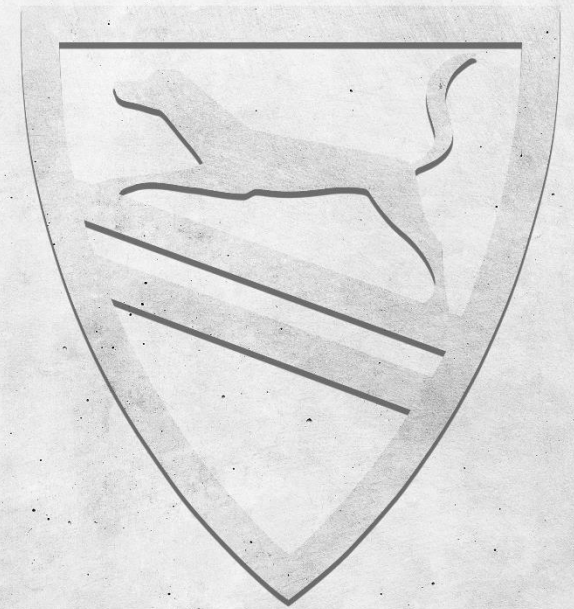


CCUS UPDATE 2024

SCHWENK Latvija, Baltic Carbon Forum

Vilnius, 03.10.2024



SCHWENK

THE PACE OF CHANGE IS HIGH

EU targets

- CBAM Regulation (EU) 2023/956 official as of 10.05.2023, financial effect as of 2026
- Industry Net Zero Act
 - Published on 28.06.2024. in the EU Official Journal: [Regulation \(EU\) 2024/1735](#)
 - «net zero strategic projects» application process being detailed, yet only available in a few countries
 - Article 20: Target 50 mta CO₂ storage capacity in the EU by 2030
 - Article 21: National CC projects and geo. CS capacity reporting requirement to Member States
 - make public «data on all areas where CO₂ storage sites could be permitted on their territory, incl. saline aquifers»
 - submit to the EC by end of 2024 and yearly «a mapping of CC, transport and CS projects within their territory»
 - describe national support measures to ensure the above



Source: https://taxation-customs.ec.europa.eu/news/commission-consults-cbam-reporting-obligations-its-transitional-phase-1-october-2023-06-13_en

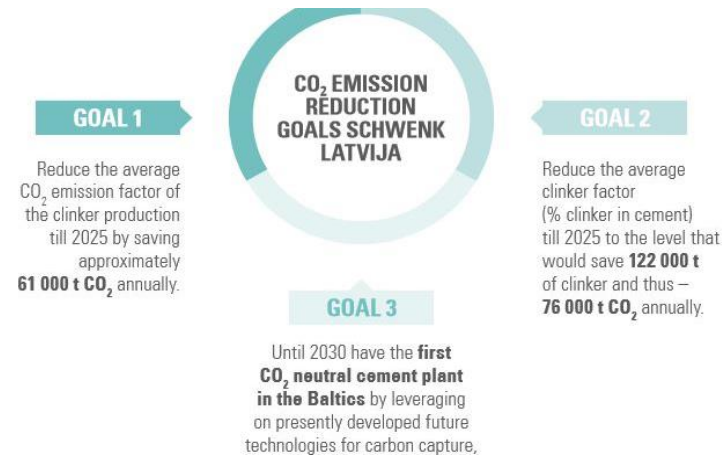
National policy

- National Energy and Climate Plan: updated in June 2024, for now low on CCUS content
 - Industrial processes section, 3.5.1.1: set a GHG emission reduction target for certain installations by 2027;
 - Decarbonization of said installations to be completed by 2040; no extra financing
- Climate Law draft on 1.10.2024. accepted by the Cabinet, proceeding to Saeima
 - Article 42 (2): *In the territory of Latvia, its exclusive economic zone and the continental shelf, the geological deposition of CO₂ in the geological structure, as well as in the vertical water layer, is prohibited.*
 - Article 42 (3): *A commercial entity with experience in the use of subsoil areas of national importance, which are used for gas storage, is entitled to receive a subsoil exploration license for the assessment of the potential for the creation of CO₂ storage and transportation infrastructure in the territory of Latvia. The exploration license is issued in accordance with the procedures set forth in the Law "On Subsoil".*
 - Annotation: *[..] the Cabinet is to evaluate a conceptual report for the geological storage of CO₂ in the territory of Latvia by June 30, 2025.*

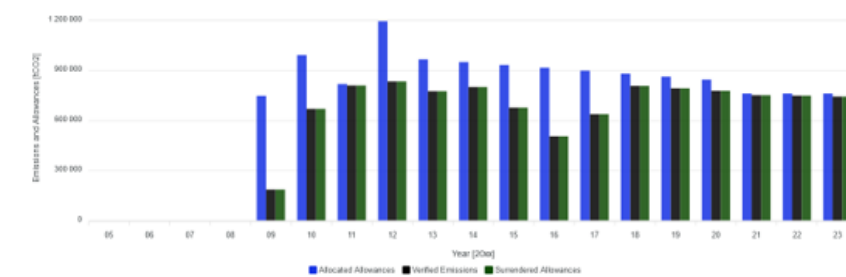


Source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32024R1735>

HENCE WE WORK TO STAY IN THE MARKET



Compliance Graph



Source: Official EUTL Page

Brocēni cement plant: emissions compliance graph

Source: EU ETS information portal https://www.euets.info/installation/LV_114

«Homework» for CC adaptation in the CEM industry

- Selection, benchmarking of CC technologies to find best fit
- Capsol Technologies ASA Feasibility Study in H1 2024
<https://www.capsoltechnologies.com/about>
- preFEED study: CC + other scope
 - CO₂ % content scenarios
 - Flue gas pre-treatment before CC
 - Supporting equipment, infra
- CapsolGo® campaign in 2025
[link to press release](#)
- CC FID 2027

A time of «loud» PR, but also feasibility studies, projects in CC, transport, CS

- Several part- or full-scale CC plants to launch in 2025-2027
- Incl. CI4C 2nd gen. oxyfuel project, on track for 2025' tests

Partner-work for full CCUS value chain

- Transport network – CCS Baltic Consortium on 6th EU PCI list
- Discussions, MoUs with prospective CS site operators

Also still achieve CO₂ reduction with current technologies

- 25+ mEUR 2025-2026' investment for alternative raw materials increase: CAPEX confirmed
- Alternative Fuels investments: results in our emissions data
- Further AF rate stabilization equipment
- Solar PPA as of 2023; own solar park in construction, start moved to Q2 2025



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