



CCUS Regulation and Legal Aspects

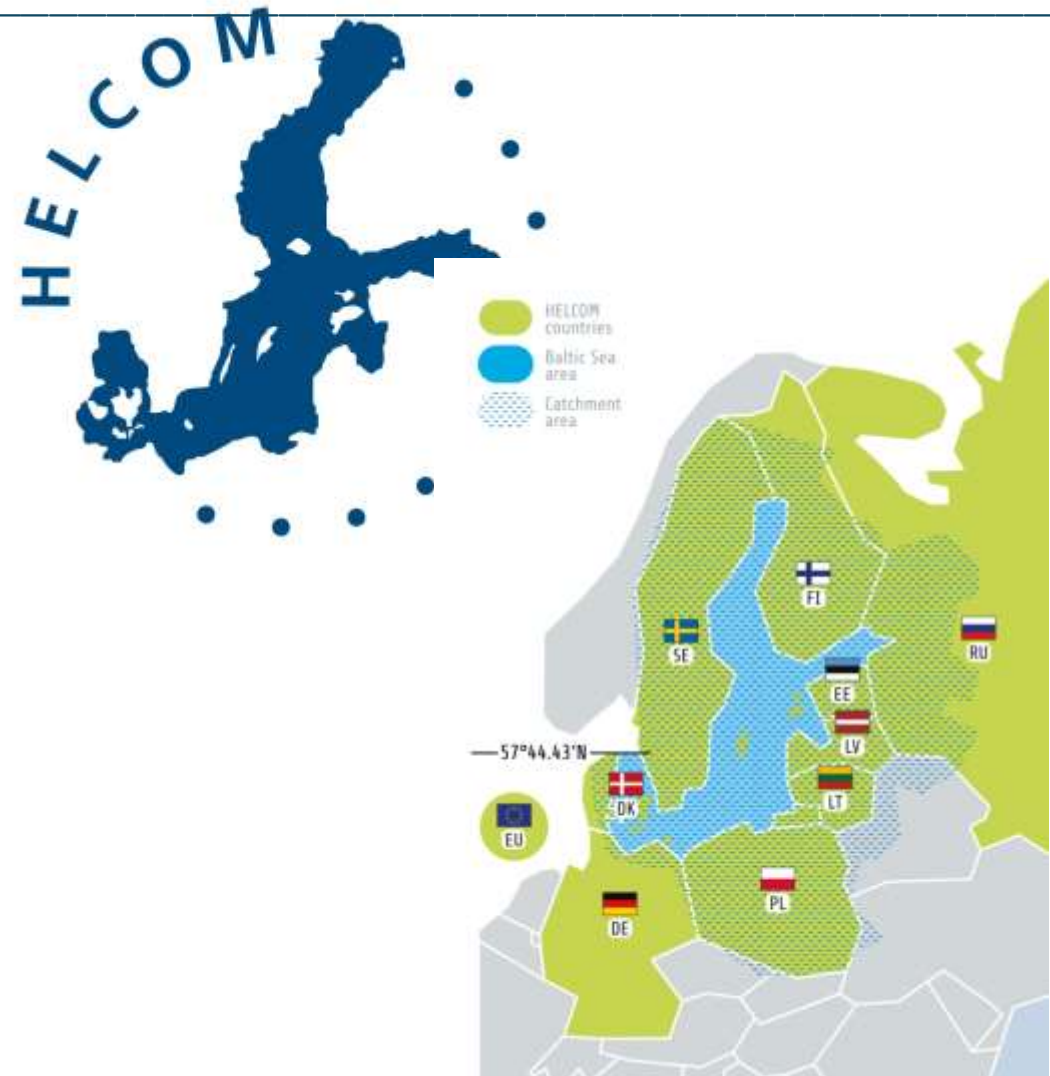
Baltic Carbon Forum, Tallinn, 9-10 October 2025

IOM Law at a glance

- Founded January 2017
- Specialised in CO₂ capture, transport, use and storage, including negative emissions, with extensive experience from oil and gas, international law and climate change policy
- Six team members, based in Son (Norway) and Tasmania (Australia)
- Formal education from Norway, England, France, Denmark, the Netherlands, Japan, Australia, and the United States

CCUS in the Baltic states

- EU legal framework
- London Protocol
- Helsinki Convention
 - Art 11 may pose a barrier for storage
 - A legal review of the Convention is planned, which will assess the permissibility of offshore storage in the Baltic Sea under the Convention



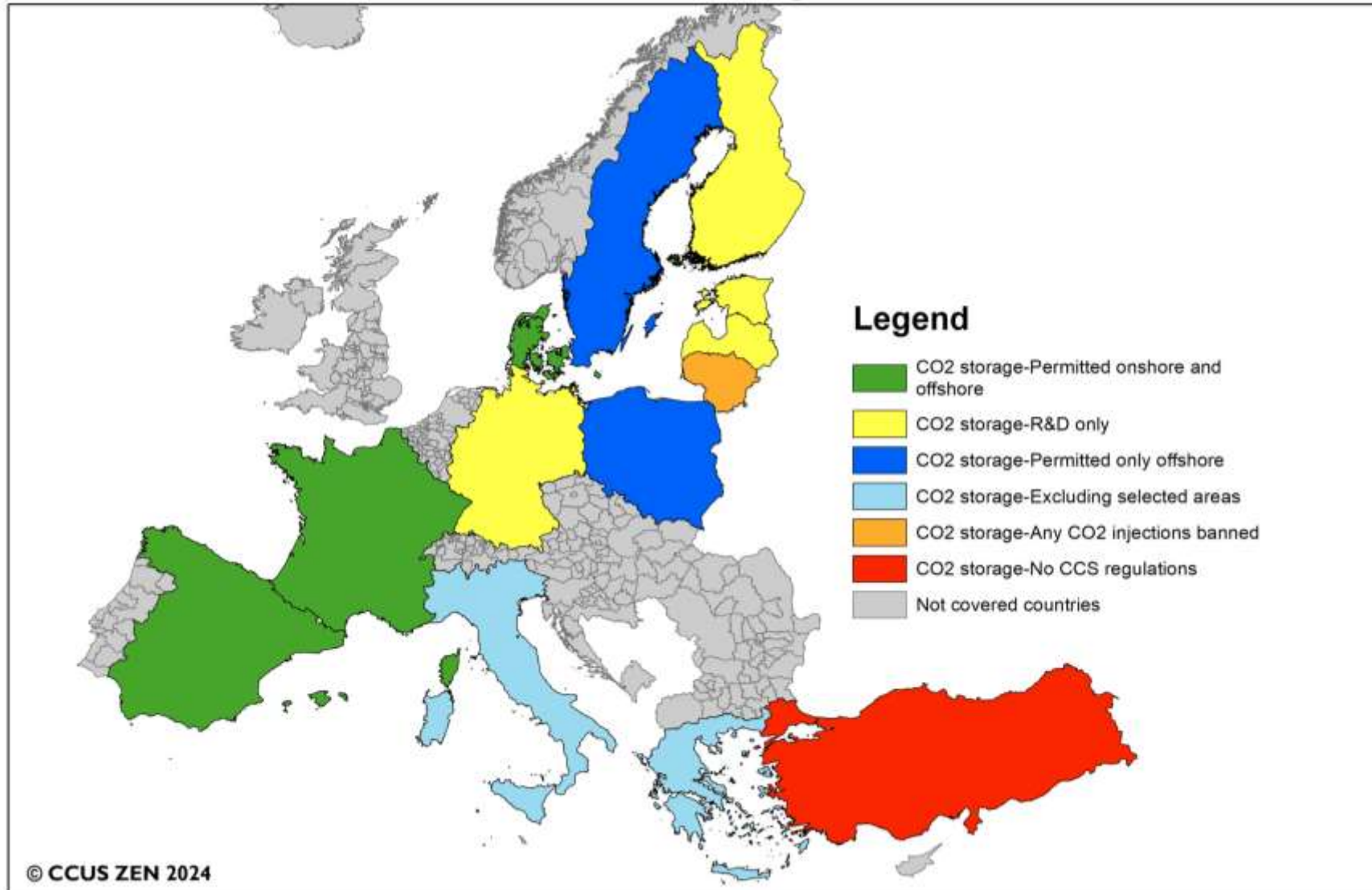
European CCS framework

- ETS Directive (2003)
 - Monitoring and reporting regulations and guidance, including.:
 - Monitoring and Reporting Regulation (2018)
 - Accreditation and Verification Regulation (2018)
 - Regulation on GHGs chemically bound in products (2024)
- «Constantly» updated.
 - Ship transportation added to the ETS regime recently.
 - Amendments to accommodate CCU recently.
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- Environmental Liability Directive (2004)
 - CCS Directive (2009)
 - Guidance Document 1: (CO₂ Storage Life Cycle Risk Management Framework)
 - Guidance Document 2 (Characterization of the Storage Complex, CO₂ Stream Composition, Monitoring and Corrective Measures)
 - Guidance Document 3 (Criteria for Transfer of Responsibility to the Competent Authority)
 - Guidance Document 4 (Financial Security and Financial Contribution)
- Updated in
2024
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- Carbon Removal Certification Framework (2023)
 - Carbon Border Adjustment Mechanism (2023)
 - Net-Zero Industry Act (2024)

European Union: CCS Directive

- Creates a legal framework for the environmentally safe geological storage of CO₂ to contribute to the fight against climate change (art. 1)
- Applies to both onshore and offshore storage exceeding 100 kilotonnes
 - Covers selection of storage sites and operation, closure and post-closure obligations, third-party access, and criteria for exploration permits and storage permits
- Requires that a minimum period of 20 years shall have passed before the transfer of responsibility occurs. Note, that this can be shortened in some cases, or made longer. (In France and Germany, this period is 30 years). CO₂ stream is to be overwhelmingly consistent of CO₂
- **Has been transposed in all EU Member States; however, CCS and regulatory readiness vary!**

European Union: CCS Directive



European Union: ETS Directive

- The primary financial incentive for developing CCS in the EU
- Cap and trade principle
- Companies are not required to surrender allowances for CO₂ transferred out of an installation for capture, transport, and geological storage, or permanent chemical binding in a product. The CO₂ must be stored in a storage site permitted under the CCS Directive
- The liability for the CO₂ follows the CCS value chain, with the liability transferring as soon as the CO₂ is transferred out of the installation. After the point of transfer, the transferring operator gets to keep their corresponding allowances
- While biogenic is outside the ETS once it reaches the infrastructure its origin is irrelevant, and allowances must be surrendered in case of leakages

European Union: New Developments

- **NZIA: Net-Zero Industry Act (2024):** Seeks to ramp up geological storage resources within the EU, setting a collective target of 50 million tonnes annual injection capacity by 2030 in the EU. Streamline permit process and requires states to submit annual reports on CO₂ storage capacity data
- **CBAM: Carbon Border Adjustment Mechanism (2023):** Imposes a carbon cost on companies importing goods from outside the EU. From 2026 importers must buy CBAM certificates (mirroring the ETS system). Calculated in accordance with the ETS price

A look into the future – Potential EU developments

- **Biogenic CO₂:** Review strategies for incentivising CO₂ removals by updating the ETS system in 2026.
 - Carbon Removal Certification Framework (2023)
- **Legislative proposal on CO₂ market and infrastructure:** Planned for third quarter of 2026.
Initiative may include:
 - Establish CO₂ standards and interoperability rules, including with non- EU countries
 - Third-party access
 - Reuse of existing infrastructure and streamlined permitting
 - A platform to improve coordination and support smaller emitters
- Implementation of CBAM, NZIA, and legislative proposal on CO₂ market and infrastructure to be discussed at the 2025 ICM forum in December

Thank you!



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