From: Phillips, Katherine <Phillips.Katherine@bcg.com>
Sent: Friday, 26 May, 2023 5:39
To: Supervisory-Body <Supervisory-Body@unfccc.int>
Cc: Dewar, Alex <Dewar.Alexander@bcg.com>; Azarabadi, Habib <Azarabadi.Habib@bcg.com>
Subject: Input to SB005 annotated agenda and related annexes

Hello,

We are writing to provide comment on your proposed updates to the UN Article 6.4 mechanism. We believe strongly that engineered removals have many benefits over nature-based solutions, and in fact have a critical role in helping the world achieve net zero. We strongly encourage the UN committee to consider any greenhouse gas removals that are permanent and verifiable to be in line with the Paris agreement.

Although they are used at scale, many nature-based approaches lack one or both of PERMANENCE and VERIFIABILITY, and thus we would not expect them to qualify towards any net-zero targets.

Conversely, we support DAC, closed-system ocean removal, BECCS, and other permanent approaches as qualifying as a removal. Using BECCS as an example:

- Removal is *permanent* -- it is relatively straightforward to show permanent removal at end of life in a way that converting the biomass to engineered timber or other products is not
- Removal is *verifiable* -- it is relatively straightforward how to account for the emissions that are removed from the air and permanently sequestered

We also disagree that engineered removals such as DAC cannot contribute to sustainable development. Indeed, we view CDR as the next trillion dollar industry, and as such it is an immense opportunity for entrepreneurs around the world including those in developing countries, which often have abundant renewable energy resourcing (though it will take investment to achieve it at scale).

Regarding specific questions for debate laid out in the Information Note:

1. Ownership of removal activities -- the US gov't defines the "owner" of carbon capture equipment as whoever owns the capture equipment, and then it is their responsibility to ensure it is permanently sequestered. A similar logic could apply to the CDR/GGR space. Several US states also allow transfer of liability to the state governments to ensure long-term liability is met.
2. We agree that it will be important to specify a minimum duration of storage; we typically have seen 100 years as achieving this goal rather than 200 to 300 years, but support any of them.
3. We also agree that it would be helpful to include removal from oceans. The ocean has large mitigation potential, and there are many ocean-based "closed systems" with similar characteristics to engineered removals that pull CO2 directly out of the atmosphere. These closed systems are verifiable in a way that open systems (e.g., ocean mineralization and algae growth in oceans) are not.
4. We also want to provide further support for tonne-year accounting for permanent, verifiable CDR/GGR, with the potential to account for any leakage as an emission in the year in which it occurs.

We hope this helps, and we would be happy to answer any follow-up questions.

Best wishes,
Katherine Phillips, Habib Azarabadi, and Alex Dewar

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