

13 March 2026

Mr. Charlie Brophy
Principal Officer
Land and ETS
Department of Climate, Energy and the Environment.

Subject: EU ETS Revision - Mobilising EU ETS Revenues to Support Irish Climate Innovation and Competitiveness

Dear Mr Brophy,

I am writing to you as Founder and Managing Director of NEG8 Carbon to highlight the strategic importance of the EU Emissions Trading System (EU ETS) for Ireland's economic and climate future, and in particular the role that EU ETS revenues can play in supporting indigenous Irish deep tech companies developing the next generation of decarbonisation solutions.

NEG8 Carbon is an Irish Direct Air Capture (DAC) company developing technology to remove CO₂ from the atmosphere to decarbonise industry. The captured CO₂ is a feedstock for Sustainable Aviation Fuel, eMethanol for shipping, and other industrial decarbonisation pathways.

The EU ETS is one of the most important policy instruments available to Europe in the transition to a low-carbon economy. Beyond pricing emissions, it provides a mechanism to mobilise capital towards the technologies that will be required to meet national and EU climate targets.

The upcoming discussions on the future of the EU ETS therefore represent a pivotal moment. A strong and predictable carbon price is needed if investment decisions are to be made in the technologies required to decarbonise hard-to-abate sectors. Hence, weakening the EU ETS would risk undermining the investment environment required to develop these technologies.

Ireland also faces the possibility of sizable EU compliance penalties should emissions targets not be met in the coming years. Technologies such as DAC will be essential to meet Ireland's climate commitments, and developing indigenous carbon removal capability therefore represents both a climate necessity and an economic opportunity.

The EU ETS already generates substantial revenues which can be directed towards climate innovation. Instruments such as the EU Innovation Fund were designed to accelerate the deployment of breakthrough decarbonisation technologies across Europe.

However, there is also an opportunity for Ireland to ensure that EU ETS revenues are deployed to support domestic climate technology development.

In particular, allocating a portion of ETS revenues through vehicles such as the NTMA and ISIF would direct investment into Irish deep tech companies working on sustainable fuels for aviation and shipping, and industrial decarbonisation.

Such an approach would allow Ireland to achieve three important objectives:

1. Accelerate the development of technologies required to meet national and EU climate targets.
2. Support the emergence of an indigenous Irish climate technology sector.
3. Strengthen the diversification and long-term resilience of the Irish economy and energy independence.

NEG8 Carbon is already actively engaged with government and industry to support the transition to a low-carbon future. We recently welcomed Minister Darragh O'Brien to our facility, where we demonstrated Ireland's progress in Direct Air Capture technology. We are also contributing to several national initiatives including the Irish eSAF Taskforce, the CCUS Taskforce, and the NSAI TC 75 standards committee.

We would welcome the opportunity to meet with you and your team to discuss how Ireland can leverage EU ETS mechanisms to support the development of domestic Direct Air Capture capability and broader climate technology innovation.

Thank you for your continued leadership on Ireland's climate and industrial policy.

Yours sincerely,



Ray Naughton

Founder and Managing Director
NEG8 Carbon