

~~SECRET/CONFIDENTIAL~~(COMP)

From: ~~XXXXXXXXXX~~ (CAB-VESTAGER)
Sent: lundi 30 août 2021 10:59
To: ~~XXXXXXXXXX~~
Subject: ACK: Draft Environmental and Energy State Aid Guidelines/Cement

Good morning,

Thank you for your meeting request. We hereby acknowledge its receipt and will revert to you in due time. Thanks.

Kind regards,

[...]
European Commission

*Cabinet of Executive Vice-President Margrethe VESTAGER
Assistant to Kim JØRGENSEN, Head of Cabinet, and Christiane CANENBLEY, Deputy Head of Cabinet*

*BERL [...]
Rue de la Loi, 200
B-[...]
phone : [...]*



European Commission

Fra: [...]
Dato: 30. august 2021 kl. 09.56.13 CEST
Til: "JØRGENSEN Kim (CAB-VESTAGER)" [...]
Cc: [...] ; [...] ; [...]
Emne: **FW: Draft Environmental and Energy State Aid Guidelines/Cement**

Dear Mr Jorgensen,

Please allow me to follow up on your letter of 6th August following a phone conversation between the Executive Vice President and Mr [...], one of my Board Members.

CEMBUREAU has submitted its comments into the consultation on the Draft Climate, Energy and Environmental State Aid Guidelines. We would very much appreciate if we could set up a meeting to discuss the eligibility of the cement sector at a more technical meeting and would appreciate if we could agree on a date.

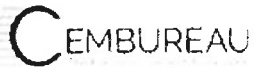
Looking forward to your reply, I remain,

Yours sincerely,

[...]

[...]
Chief Executive

CEMBUREAU – The European Cement Association
~~XXXXXXXXXXXX~~ Brussels, Belgium
T: [...] | M: [...]
W: www.cembureau.eu



EU Transparency Register No: 93987316076-63

From: [...]
Sent: 10 August 2021 14:22
To: [...] ; [...]
Cc: [...] ; [...] ; [...]
Subject: RE: Draft Environmental and Energy State Aid Guidelines/Cement

Dear Kim Jørgensen

Thank you for your constructive feed-back.

The European Cement Association CEMBUREAU has submitted its response into the consultation.

It is indeed positive that you are proposing a meeting at technical level - thus I will suggest that CEMBUREAU could reach out to your team for a meeting at the end of August or beginning of September to have a more detailed technical discussion.

I have added [...], the CEO of CEMBUREAU, whom will make sure a contact is made

Yours sincerely,

[...]
Chairman of the Board of Directors
Aalborg Portland Holding A/S

[...]

M: [...]
E: [...]

~~XXXXXXXXXXXX~~
~~XXXXXX~~
Denmark

From: [...]
Sent: Monday, August 9, 2021 4:43 PM
To: [...]

Cc: [...] ; [...] ; [...]

Subject: RE: Draft Environmental and Energy State Aid Guidelines/Cement

Dear Mr [...]

Please find enclosed to your attention a letter from Mr Kim Jorgensen, Head of Cabinet of Executive Vice-President Margrethe Vestager.

Best regards,

[...]

Assistant to Anne Funch Jensen & Yizhou Ren



European Commission

Cabinet of Margrethe Vestager

Executive Vice-President

for A Europe fit for Digital Age

Commissioner for Competition

BERL [...]

B-1049 Brussels/Belgium

[...]

[...]

From: [...]

Sent: Thursday, July 8, 2021 3:52 PM

To: [...]

Cc: [...]

Subject: RE: Draft Environmental and Energy State Aid Guidelines/Cement

Dear Sir, Dear Madam,

We hereby confirm the reception of your email addressed to Executive Vice-President Margrethe Vestager.

Best regards,

Cabinet Vestager Team

From: [...]

Sent: Thursday, July 8, 2021 12:47 PM

To: [...] ; [...]

Cc: [...]

Subject: Draft Environmental and Energy State Aid Guidelines/Cement

Dear Margrethe Vestager, Executive Vice President

I am writing to you in my capacity as chairman of Aalborg Portland Holding and board member of the European cement association, Cembureau.

I am happy to provide you with details on the concern we have in relation to the **cement sector** no longer being considered as eligible for levy exemptions from electricity for energy intensive sectors under the Draft

Environmental and Energy State Aid Guidelines. I understand that the Draft Guidelines are currently open for public consultation and I am sure that our sectoral trade association, CEMBUREAU, will submit comments by the deadline of 2nd August.

Our surprise with the removal of our sector from the eligibility list is motivated by the growing importance of electricity demand and therefore cost in our decarbonization agenda. As you are aware, the cement industry is aiming for carbon neutrality by 2050 over its entire value chain with intermediate CO₂ reduction targets of 30% (cement) and 40% (down to concrete) by 2030. Given that two thirds of our emissions are process-related, one of the core breakthrough technologies for our sector is carbon capture and storage/use. The OPEX costs related to this technology in the form of increased electricity cost range between +50% and +120%, depending on the capture technology used. In addition, like in other sectors, research is ongoing in the cement sector on the potential to electrify part of our production process. Access to affordable and renewable electricity is therefore a key policy requirement for a successful decarbonization of our sector.

In this context, the Draft Guidelines in their current form risk to severely disrupt our decarbonization path. As far as trade intensity is concerned, we are not aware of the rationale behind the increase of the trade intensity threshold from 10% to 20% nor behind the removal of the 4% trade intensity and 20% electro-intensity threshold. In addition, we have noted with concern that the years 2013-2015 have been chosen as reference years which, in light of the forthcoming decarbonization and sharp increase of imports to in the cement sector between 2014 and 2020, are not the appropriate references. Our concern is fed by the fact that a similar backward-looking instead of evolving trade concept has been used not to allow eligibility of the cement sector under the EU ETS indirect compensation Guidelines. As in the procedure under these Guidelines, we do not feel we have sufficient and transparent access to the Commission's analysis and impact assessment. Even if access to methodology and data were granted now, three weeks before the deadline for response into the consultation, this poses serious due process concerns as it is impossible to prepare a detailed and well documented response.

The increased electricity costs for our sector also affect its competitiveness in the internal market in relation to other sectors that are competitors on the downstream construction market but are eligible under the Guidelines. In our view, disproportionate attention is given in the Draft Guidelines to trade intensity. For the cement sector, requiring a 20% trade intensity comes down to putting at risk 60-70 plants in Europe or between 29% and 34% of the total cement production.

I did reach out to you given the seriousness of this matter and I hope we can have a dialog and stay in touch with your cabinet and yourself also beyond the 2nd August deadline to thoroughly review and discuss the impact of the proposed removal on the cement sector in Europe.

Looking forward to hearing from you

Yours sincerely,

[...]

Chairman of the Board of Directors
Aalborg Portland Holding A/S

[...]

M: [...]

E: [...]

~~XXXXXXXXXX~~

~~XXXXXXXXXX~~

Denmark

