Ref. Ares(2021)4960902 - 04/08/2021

Minutes of Meeting

MEETING CONCLUSIONS

Title	**Exchange with Fertiliser Europe**
Date	22-04-2021
Participants	**COM:** SIKOW MAGNY Catharina (ENER), [redacted] (ENER) [redacted] (ENER) [redacted] (ENER); [redacted] (ENER) **Ext :** [redacted]
	Ares initial request :
	Disclosure authorisation : ☐ YES - ☐ NO - ☒ Partial (pls highlight unauthorised parts)

Issues raised & follow-up	**Summary**
	- CBAM:
	  o Support fertilisers to be within the first pilot sectors to which CBAM will be applied
	  o Due to international competition with no carbon prices outside of the EU, FertiliserEurope argues for keeping 'free allowances' up to a benchmark, and adding CBAM charges. FertilisersEurope insisted the main international competitors (Russia) do pay 'nothing' in terms of carbon costs and that, in their view, there is a low risk of 'double protection' derived from the simultaneous use of free ETS allowances and CBAM charges.
	- Hydrogen in fertiliser sector
	  o Largest hydrogen producer/consumer in Europe, producing for its own consumption
	  o Most SMR plants are 'end-of-life', so opportunity to invest in replacement based on green hydrogen
	  ▪ Challenge is sufficient renewable hydrogen
	  ▪ Industry should be prioritised for hydrogen.
	  o Current SMR plants run 24/7, so replacing fossil-based hydrogen with renewable hydrogen at steady state
	  ▪ However, opportunities for learning as this is a new process
	  o Ammonia as a product is energy –intensive, with many applications outside fertiliser production
	  o Already, 40 million tonnes of ammonia is traded globally
	  o Labelling of green ammonia and/or green fertilisers needed
	- Energy efficiency
	  o Little additional opportunities for energy efficiency of process in industry
	  o Switching from natural gas to electricity as input could increase energy consumption/unit of production