CONCEPT PAPER

Clean Transition Dialogue on Energy Intensive Industries

1. CONTEXT

The green transition is essential to future innovation and competitiveness in Europe.

Over the last four years, the Commission has put in place a policy and regulatory framework to turn the European Green Deal into a reality. The new framework aims at decarbonising our economy by increasing the deployment of renewable energy and decarbonised gases, including hydrogen, strengthening energy efficiency measures as well as reforming and extending the Emissions Trading Scheme. We have also taken action to support industry through the Net-Zero Industry Act, which aims to scale up the EU’s manufacturing capacity for net-zero technologies, and the Critical Raw Materials Act, which aims to secure and diversify raw materials supply. We are also in the process of reforming our electricity market to secure clean and affordable energy and levelling the international playing field through the introduction of the Carbon Border Adjustment Mechanism. Unprecedented levels of funding have been mobilised under the EU budget but also through NextGenerationEU Innovation and Modernisation Funds and InvestEU. Overall, 32.6% of the EU’s total budget, amounting to EUR 578 billion, is dedicated to climate action.

As President of the European Commission Ursula von der Leyen announced in the State of the Union address, we are determined to support the EU’s industry in the decarbonisation process and strengthen its business case.

2. OBJECTIVE

The Clean Transition Dialogue on Energy Intensive Industries creates a forum to exchange views on the opportunities offered by the green transition, to better understand the decarbonisation business case of energy intensive industries in Europe, to discuss the proposed policy and regulatory framework, and to exchange ideas how to further accelerate and increase investment along entire value chains.

The Dialogue also aims at identifying additional measures to those already adopted, which would still be needed to overcome the obstacles industry is facing, such as high upfront cost of investments, high cost and availability of alternative energy carriers, insufficiently developed infrastructure and carbon leakage.
The dialogue should help assess how the Commission and Member States can further support the innovativeness and competitiveness of European industry in the current global economic and trade context, how the industrial dimension of the European Green Deal could be further strengthened and what short-term quick wins could be considered, along with long-term policy, regulatory and financial support.

3. Deliverables

The Dialogue will bring visibility to existing instruments, processes and initiatives that can help energy intensive sectors accelerate their transition and overcome obstacles on their path to decarbonisation. It should also contribute to identifying additional measures and instruments that would be needed to enhance the business case and incentivise investments.

4. Participants

The Dialogue will involve 24 high level representatives of the key strategic energy-intensive sectors, including metals, fertilisers, ceramic, cement, refineries, chemicals, glass, lime, waste, pulp and paper, as well as producers of clean energy and alternative energy carriers, off-takers and financial institutions.

5. Format

The Dialogue is scheduled from 09.30 to 13.00 on 30 November 2023. Three thematic sessions will take place, followed by a working lunch from 13:00 to 14:30. Each session will be opened by a keynote speaker who will introduce the roundtable discussion.

The discussion at the roundtable will be structured around four guiding questions:

- What are the challenges your company/sector faces regarding clean energy supply? Which measures in addition to those already proposed, would be needed to overcome those obstacles, in particular ensuring that energy intensive industries have access to affordable clean and abundant electricity and low-cost alternative energy carriers, such as hydrogen?

- What are the main obstacles that your company/sector faces regarding access to funding and financing programmes at the European and national level for your decarbonisation projects? How can access to those funds be facilitated and sped-up? Are new instruments needed to support industry in addressing high CAPEX and OPEX costs?

- Is the regulatory framework sufficient to incentivise the scale up of the decarbonised manufacturing capacity in Europe, preserve a level playing field in Europe and maintain the EU’s industry innovation capacity and competitiveness on the global market? How will the instruments such as NZIA, ETS, CBAM support your efforts? What other measures are needed?

- How to create a market for decarbonised products in Europe? Is there sufficient demand for these products to pull the market? Which additional policy and regulatory measures are needed to support the creation of the market? What is your experience in this regard?