

Cabinet of Commissioner Kadri SIMSON - Minutes of Meeting

MEETING CONCLUSIONS

Title	Meeting with CEFIC and Chemical industry CEO's
Date	12/05/2020
Participants	<p>Ext : CEFIC and chemical industry CEO's:</p> <p>[REDACTED]</p> <p>COM-CAB: Kadri Simson, Stefano Grassi, Thor Vertmann, Kitti Nyitrai, [REDACTED] COM-ENER: [REDACTED]</p>
	Ares initial request : BASIS CAB Simson 148
	Disclosure authorization : <input type="checkbox"/> YES - <input type="checkbox"/> NO - <input checked="" type="checkbox"/> Partial (pls highlight unauthorized parts)
Issues raised & follow-up	<p>Points raised by CEFIC:</p> <ul style="list-style-type: none"> Chemical industry during the COVID crisis: overall the chemical industry never stopped; especially food packaging / medical supply chains are very active. The real impact will only come, with expected drop in demand. Being an integrated industry, it is critical that goods flow across borders. There are 11000 Chemical SME's, play a key role in supply chain, but are vulnerable to lack of liquidity The sector welcomes the Renovation Wave, with a huge potential in energy and greenhouse gas savings, as well as economic recovery and jobs creation. Welcomes also investment in Offshore. Both having positive impact on chemical sector acting as enabler and supplier. The chemical industry is in strong support of the Green Deal, having contributed to the Masterplan of the HLG on Energy Intensive Industries (EII). The transformation, including significant electrification, will only be possible with access to huge amounts (5 times the German consumption) of low-carbon and affordable energy & feedstock, around 4€cent/kWh for electricity, as well as sufficient transmission infrastructure. Policies in energy and climate need to go hand-in-hand, e.g. the surcharges in the price of electricity (for paying subsidies to renewable energy) are a barrier to electrification; the switch to renewable energy (via direct or indirect electrification) may impact negatively the energy efficiency targets The chemical sector is a large consumer, but also self-producer of energy (electricity, hydrogen), uses waste, acts as energy buffer by demand response (e.g. cogeneration, electrolyzers). Electrification, transformation into molecules, CCUS, biofuels, hydrogen will require a holistic approach. Strong support for "Energy System Integration" (sector integration) strategy. The sector is divided on Carbon Border Adjustment Mechanism given the given the globally interwoven value chain. Strong support for more interconnection, warned about technical limitations to blend hydrogen in certain regions in the gas network. EU ETS Indirect compensation: advocates for being included among the eligible sectors, necessary for further electrification and decarbonisation of the sector.

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	<p>The Commissioner outlined the main upcoming initiatives in the field of clean energy and hydrogen. As regards the ETS guidelines, she stated that services are reviewing the stakeholders consultation, and that the Commission is not in position to say which sectors will be in or out.</p>
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