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From: [redacted]
Sent: vendredi 10 juillet 2020 08:54
To: [redacted]
Subject: RE: EUROFER meeting 26/05 on ETS State Aid guidelines

EUROFER meeting 26/05 on ETS State Aid guidelines

1) Need to take into account ETS costs embedded in input costs for products in non-listed sectors (e.g. industrial gases);
2) Steel has high GVA because of high employment, this can penalise labour-intensive industries; there should be a corrective factor to the 75% aid intensity to reflect this (comparison aluminium & steel);
3) Conditionality: draft GL foresee increase in adaptation requirements.
   Alternatives: energy efficiency, onsite renewables or renewables purchase >50%, aid reinvestment in direct emissions reduction.
   Eurofer notes that most plants are not yet at the benchmark efficiency levels, so there are still incentives to upgrade.
4) Regional breakdown: price heterogeneity between countries has been growing, due to varying levels of deployment of renewables.
5) Certain sub-sectors outside the steel NACE code should also be considered (ore mining upstream; seamless tubes downstream).