

DG GROW
Meeting between Commissioner Elżbieta Bieńkowska and
Energy intensive Industries
Berlaymont, Brussels, 11:00-12:30, 4 September 2018

MINI BRIEFING NOTE

Scene setter/Context of the meeting/ Objective of the meeting:

You will meet the [REDACTED] representing Energy Intensive Industries as well as 1-2 [REDACTED] of the European steel, chemical, fuels and cement industries.

This meeting will take place in parallel to ongoing work by DG CLIMA/DG ENER on a draft of the “proposal for a Strategy for long-term EU greenhouse gas emissions reduction”; expected September/October 2018, and to be discussed later at Cabinet level for adoption in November 2018.

You will have an exchange of views on the work that the Alliance of energy intensive industries is doing, following the meeting of the High Level Group in February, to develop a comprehensive 2050 plan for competitive, low carbon and sustainable energy-intensive industries.

CVs of the participants enclosed (see background).

KEY messages

1. I would like to thank the Alliance of energy intensive industries for taking seriously and delivering on the agreement reached during the meeting of the High Level Group on Energy Intensive Industries in February, to develop a comprehensive masterplan for competitive, low carbon and sustainable energy-intensive industries.
2. As energy intensive industries account for a large share of emissions but also have the potential to capitalise on new low-carbon technologies, this work will be an important input into the Commission’s proposal on the Strategy for long-term EU greenhouse gas emissions reduction expected this autumn.
3. This strategy should ensure that Europe stays competitive in the global economy, while reducing emissions and shifting towards a resource-efficient, circular economy.
4. Ensuring attractive investment environment in Europe is the key prerequisite for keeping energy intensive industries in Europe and their successful transition to carbon neutrality. The Commission will look to provide the necessary investment environment and analyse financing options once the results are available.
5. I am conscious of the very challenging time frame for this work.
6. I would like to know more about your findings – the decarbonisation strategy of energy intensive industries, key gaps and issues that you identified and any future work you envision.

Defensives / Q&A

Question:

Transition to carbon neutral industry will require stability and predictability of policies and energy prices in order to ensure industries' ability to attract the enormous investments needed for the transition. Can we count on that?

Answer:

We are fully aware that ensuring attractive investment environment in Europe is the key prerequisite for keeping energy intensive industries in Europe and their successful transition to carbon neutrality. We will look to provide the necessary investment environment; However in this context your contribution and active participation in discussing of the long-term EU strategy for the reduction of greenhouse emissions will be crucial.

Question:

How can we ensure the level playing field with foreign competitors who will not bear (or delay) investment costs needed for the transition to the carbon neutral industry?

Answer:

I fully agree that it is a very important aspect to be considered not only at the end of transition, but also during each step. We fully understand that industries could be substantially impacted in a very short time as the last steel crisis showed in 2015/2016. Energy intensive industries are the main users of the trade defence instruments in the EU and together with other tools like ETS should provide the necessary protection during the transition of the industry.

Background information

Commission's work on proposal for a Strategy for long-term EU greenhouse gas emissions reduction

The European Council of 22 March, in its conclusions, has invited the Commission to present "by the first quarter of 2019" a proposal for a Strategy for long-term EU greenhouse gas emissions reduction in accordance with the Paris Agreement, taking into account the national plans. The Commission aims to bring it out a proposal already in November this year. Just before the summer break, DG GROW was involved in the preparatory work coordinated by SG and EPSC for the 6 following building blocks:

- Economy, finance, investment and taxation

- Social and local aspects
- Innovation, technology, industry and infrastructure
- Natural resources
- Global dimension
- Modelling

During the summer break, DG CLIMA/DG ENER should provide a first internal consolidated draft in September/October 2018 to be discussed at Cabinet level for adoption in November.

High Level Group on energy-intensive industries

The High Level Group on energy-intensive industries facilitates discussion on policy options at the early stages and enables a better involvement of relevant stakeholders. The last meeting of the High Level Group took place on 28 February 2018, where Commissioner Bienkowska challenged the Energy Intensive Industries to work together with the Commission on the development of a comprehensive masterplan for competitive, low carbon and sustainable energy-intensive industries; the ways to develop a stable EU regulatory framework as well as on existing and foreseen financing tools.

Conclusions meeting on 28 February read:

“The energy-intensive industries and the Commission services should work on the following areas:

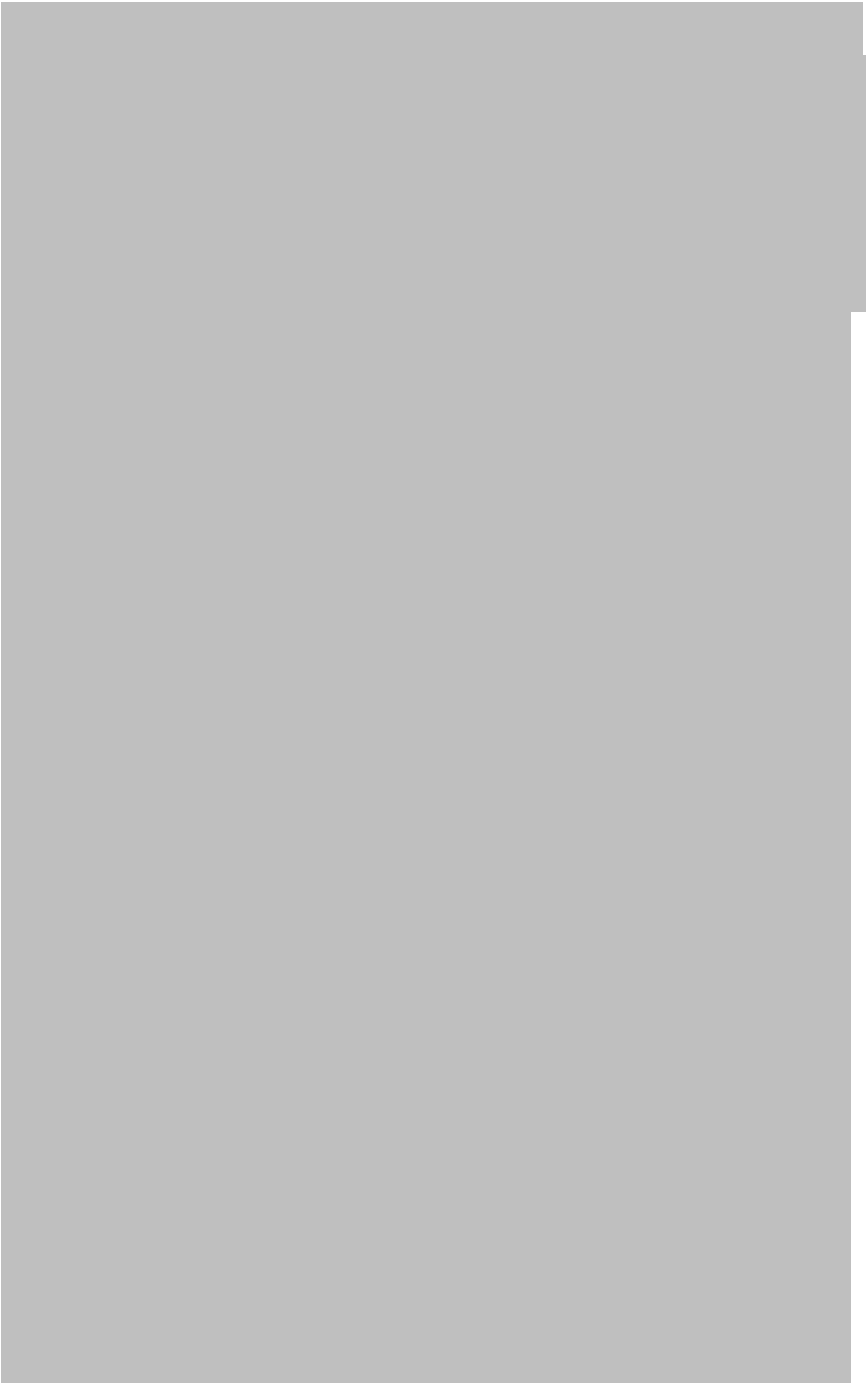
- *Use sectoral roadmaps, visions and low carbon pathways as a starting point to develop a comprehensive masterplan for competitive, low carbon and sustainable energy-intensive industries*
- *Launch a comprehensive policy discussion on ways to develop a stable EU regulatory framework providing energy-intensive industries with long term predictability*
- *Hold a comprehensive discussion on existing and foreseen financing tools and the conclusions of the high level group on sustainable finance*
- *DG GROW and the relevant Commission services to conduct together with the energy-intensive sectors a comprehensive assessment of the risks and mitigation options of the long-term trajectory towards a low carbon economy*
- *Develop conclusions that should be reflected in the Commission’s mid-century strategy led by CLIMA and inform the “Industry 2030” roundtable”*

Since then follow-up meetings were organised involving other DGs with representatives of the Group to discuss these conclusions and the way forward. End July 2018 the Alliance of Energy Intensive Industries presented preliminary results of their work. The main report of their work is expected on 7 September.

CVs of participants









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