

[REDACTED]

From: [REDACTED] (CAB-MCGUINNESS)
Sent: 02 March 2021 13:52
To: [REDACTED] (CAB-FERREIRA)
Subject: FW: European Steel Association (EUROFER) position on EEAG and meeting request
Attachments: AEII Joint Response Competition Policy the New Green Deal.pdf; 2020-12-22-EUROFER-Accompanying document to EEAG_public consultation.pdf

Follow Up Flag: Follow up
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From: [REDACTED]@eurofer.eu
Sent: Tuesday, March 2, 2021 12:03 PM
To: [REDACTED] (CAB-MCGUINNESS)
Cc: [REDACTED]@eurofer.be; [REDACTED] (CAB-MCGUINNESS)
Subject: European Steel Association (EUROFER) position on EEAG and meeting request

Dear [REDACTED]

On behalf of the European steel industry, we would like to share with you our position on the Environmental and Energy Guidelines (EEAG), in light of the ongoing revision and in view of the future draft Commission proposal, which we understand will be published in the course of the next months.

We believe that EU's competition law rules should play an essential role in ensuring the twin objectives of reaching climate neutrality by mid-century, while maintaining a strong industrial base in Europe (see attached the Joint Submission of the Alliance for Energy-Intensive Industries to the EC consultation on Competition Policy & the Green Deal).

The revision of the EEAG will be in particular crucial for ensuring **globally competitive industrial electricity prices** and for **de-risking and innovation support for low carbon technologies** in energy intensive sectors, including in the steel industry.

Access to abundant, competitively-priced low carbon energy, and electricity in particular, is a key framework condition for the industrial transition to climate neutrality. With intermittent renewables set to represent 85% of European electricity by 2045, the Commission should strive to ensure that electricity remains sufficient and globally competitive.

- In our view, globally competitive industrial electricity prices can be secured by ensuring that renewable surcharge **exemptions are maintained** and by **limiting future climate related costs** impacting electricity consumption prices that are not faced by our international competitors.
- With regard to the revisions of the EEAG, an essential modification for supporting the low carbon transition of energy intensive industries (EIs) is the **granting of aid, including operating aid, for industrial decarbonisation technologies beyond carbon capture and storage**. The revision should be thus closely linked to the climate objectives set out in the European Green Deal.

The transition of the steel industry – including setting-up of new low-carbon production facilities, first deployment, their operational costs, and dismantling and clean-up costs of the replaced facilities – will entail tremendous costs that our sector will not be able to bear on its own. Thus, we cannot miss the opportunity of setting the right framework for ambitious Carbon Contracts for Difference (CCfDs) that cover the full abatement costs. We want to share with you our contribution on the EEAG revision (see attached the EUROFER accompanying document to the EEAG public consultation), which includes our detailed position on CCfDs.

We kindly request to organise a meeting at your earliest convenience to elaborate on our recommendations and proposals.

Thank you for considering our request,



EUROFER
THE EUROPEAN STEEL ASSOCIATION



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