

Report of the videoconference with the European Steel Association, 25 March 2021

Attendees:

European Steel Association (EUROFER):

- [REDACTED]
- [REDACTED]
- [REDACTED]
- Representatives of EUROFER members: [REDACTED] (Arcelor Mittal), [REDACTED] (ThyssenKrupp), [REDACTED] (German Steel Federation)

European Commission

- Anthony Whelan, President Cabinet
- [REDACTED] SG D1

The meeting took place on the initiative of the European Steel Association (EUROFER), to discuss about the way state aid rules can support the steel sector in its efforts towards the green transition in light of the ongoing revision of the Energy and Environmental State aid Guidelines (EEAG).

EUROFER explained that:

- The revision of the EEAG will be in crucial for ensuring globally competitive electricity prices and for innovation support for low carbon technologies in energy intensive sectors, as the steel industry.
- For that, the existing renewable surcharge exemptions should be maintained. Extending such exemptions to other climate related regulatory costs impacting electricity consumption prices, not faced by international competitors, would also be necessary.
- In addition, aid for industrial decarbonisation technologies should be granted. Carbon contracts for difference would be a key instrument for the promotion of projects to introduce low carbon production processes.
- A regulatory framework that facilitates long-term public /private agreements would also be necessary, as it is difficult for large industrial customers to sign such large agreements.

In this context, Mr Whelan took note of EUROFER views, referred to exiting case practice concerning carbon contracts for difference and stressed the importance of the technological neutrality principle in the state aid policy. Mr Whelan also recalled Commission' commitment to revise the EEAG by the end of 2021 to support the implementation of the Green Deal objectives and explained that a draft of the revised Guidelines will be published for stakeholders' feedback, inviting EUROFER to take place in this consultation.