CEFIC POSITION
ON THE CLEAN ENERGY
FOR ALL EUROPEANS
PACKAGE

MAY 2017
Europe’s chemical industry welcomes the Clean Energy Package proposal from the European Commission in its ambitions to reform and harmonise energy markets in Europe and to pioneer the low-carbon economy for the benefit of all its citizens.

Our industry is at the core of delivering on this package; whether by adopting its measures and putting them into practice in our thousands of manufacturing operations across Europe, or providing high-tech solutions for provision of renewables and efficiency materials for other major industries.

We want to make a success of the EU Clean Energy Package as an enabler of European industry’s competitiveness and a unique opportunity for European institutions to deliver on Europe’s ambitious transition to cleaner energy and meet climate change goals. To that end, we make a series of recommendations to reach this ambition in an effective, secure and cost-conscious way that delivers value for investment to European economic contributors such as industry.

Cefic believes that this would be achieved by applying general guiding principles to:

- **Provide competitive, reliable, and sustainable energy** for industry
- **Enable innovation** in industry sectors that develop products and technologies that avoid greenhouse gas emissions (GHGs) across value chains
- **Foster innovation to reduce the cost** of all renewable sources
- **Avoid costly and unnecessary** overlapping legislation

More detailed recommendations are addressed to each relevant legislative proposal as follows:

**Governance of the Energy Union must place a stronger focus on competitiveness**

- **Promote international competitiveness** to keep Europe’s leadership
- **Ambition must be set at European level. However, national actions should primarily focus on non-industrial sectors and national energy and climate plans should be flexible** to reflect economic trends and variations in demand
- **Involve industry and value-chain partners** to join forces in providing the most efficient solutions
Energy Efficiency comes first, but not at the expense of growth

- The EU chemical industry continues to seek increased energy efficiency in its own production, as doing so intrinsically enhances competitiveness
- A cap on energy consumption is not appropriate for industry: energy savings should come from energy efficiency improvements rather than reduced industrial production
- Energy use in industry which is also regulated by the ETS must be excluded from any Energy Savings Obligation and participation in energy savings schemes must remain on a fully voluntary basis
- Member States should have flexibility regarding the way to implement the target: all energy efficiency measures should be eligible to fulfill it
- The Commission and Members States goal to promote energy efficiency in new and existing buildings will deliver significant benefits. Sectors of the European economy with large and untapped energy efficiency potential should be better targeted

Electricity market re-design is a critical competitiveness success factor

- Ensure secure and reliable electricity supply
- Foster the emergence of market-based energy production and pricing mechanisms that include all energy sources equally in future policies
- There should be no priority access granted to certain technologies
- Capacity mechanisms should only be considered as a last resort and be coordinated across Members States
- Allow market-based rewards for voluntary demand side management
- Closed distribution systems should continue to be exempted from Distribution System Operator (DSO) rules and reporting requirements

Renewable energy, a game changer

- Renewables will facilitate the transition towards a low carbon energy system. Innovative solutions developed by the chemical industry supports a more rapid and cost-efficient penetration of these renewables on the European market. Whilst transitioning, Cefic calls on policy makers to ensure industry’s stable access to competitive and secure electricity
- Support for renewable energies must be cost-efficient, innovation-focused and contribute to real GHG emissions reduction. Any support schemes to renewable energies must diminish over time to enable a fully liberalised energy market
- Establish a level playing field for the use of the same biomass; ensure a technology-neutral approach, looking at the entire life-cycle of products
- The chemical industry provides innovative technologies to re-use CO₂ and other industrial gaseous effluents. Sustainable valorisation of CO₂ makes sense in all sectors and under different uses
GOVERNANCE OF THE ENERGY UNION MUST PLACE A STRONGER FOCUS ON COMPETITIVENESS

- Promote international competitiveness to keep Europe’s leadership
- Ambition must be set at European level. However, national actions should primarily focus on non-industrial sectors and national energy and climate plans should be flexible to reflect economic trends and variations in demand
- Involve industry and value-chain partners to join forces in providing the most efficient solutions

Cefic supports the Commission’s intention to streamline and integrate all existing planning, reporting and monitoring requirements under one regulation. Competitiveness is a key factor that will determine the success of the Clean Energy package. The EU chemical industry is a major stakeholder in delivering on this package in several aspects, but faces strong global competition. Governance must acknowledge this, and the Commission proposals must not relegate the competitiveness aspect as secondary to others but increase its prominence. Cefic suggests the following adjustments in order to improve the current package proposal.

I. Governance should promote international competitiveness so Europe maintains its global leadership in low-carbon technologies

Cefic endorses the call from the Parliament in its December 2015 resolution for the Energy Union Governance to be ambitious, reliable, transparent and democratic. Cefic also appreciates the call for more coordination in the Commission proposal.

The impact of measures adopted under national plans on the competitiveness and investment perspectives of energy intensive sectors must be regularly monitored and taken into account when updating those plans. Industry emissions are closely tracked but requirements to assess the impact e.g. of energy efficiency on industry, in particular those exposed to a significant risk of carbon leakage (see article 24 § 4 of directive 2012/27/EU) must be included again.

Consistent with the 2014 Commission communication on “A policy framework for climate and energy”, Cefic calls for a better reflection of key competitiveness indicators such as energy price differentials between the EU and major trading partners in the current proposal. The Commission, together with the Member States should also continue to closely monitor energy costs for industrial consumers, as proposed in the governance proposal. As demonstrated in the recent Commission study on energy prices and costs, it is also important to continue the comparison with energy costs of competitors outside the EU.

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2. National energy and climate plans should be flexible to reflect economic trends and variations of demand

Members States’ right to define their energy mix should also be preserved. The Commission should not be able to impose disproportionate measures but should enter in the dialogue with Member States to look for acceptable solutions. Member States should be responsible for setting and defending their energy efficiency ambition based on bottom-up assessment of their potential, linked to their economic structure, spatial planning and buildings status. Excessive costs for energy consumers in one region e.g. from overcapacities and resulting subsidized excess production exports to neighbouring regions should be excluded by better coordination and cross-border cooperation.

Energy Union governance is complementary with the European Semester where Heads of States and Governments set the major economic orientation for Europe. To enhance it, more flexibility should be allowed for Member States when designing and updating their national plans to reflect economic trends and growth in the manufacturing sector – in particular regarding energy consumption levels which rely on economic activity. A linear reduction path must be avoided. Member States must also have the choice of expressing their target in primary and/or final energy.

3. Industry and value-chain partners should be strongly involved in setting up national objectives and targets. Cefic suggests the following improvements to the package:

National authorities should be given sufficient time to perform proper impact assessments and consult relevant stakeholders at EU, national, regional and local levels. The EU chemical industry supplies innovative materials and technologies that support the road to a low-carbon economy and promote energy efficiency in other industry sectors. Industry and value chain partners must therefore be consulted when developing national plans.

National actions should primarily focus on non-industrial sectors (see chapter II: EED and EPBD). Should non-industrial sectors be unable to reach their targets, any gaps must not result in additional measures affecting industry.
ENERGY EFFICIENCY COMES FIRST, NOT AT THE EXPENSE OF GROWTH

- The EU chemical industry continues to seek increased energy efficiency in its own production, as doing so intrinsically enhances competitiveness.
- A cap on energy consumption is not appropriate for industry: energy savings should come from energy efficiency improvements rather than reduced industrial production.
- Energy use in industry which is also regulated by the ETS must be excluded from any Energy Savings Obligation and participation in energy savings schemes must remain on a fully voluntary basis.
- Member States should have flexibility regarding the way to implement the target: all energy efficiency measures should be eligible to fulfill it.
- The Commission and Member States goal to promote energy efficiency in new and existing buildings will deliver significant benefits. Sectors of the European economy with large and untapped energy efficiency potential should be better targeted.

1. Cefic subscribes to the “Energy Efficiency First” principle applied fairly across the whole EU economy

Any efficiency target should remain complementary to the overarching GHG reduction goal and should be designed as an incentive for EU investment, growth and job creation.

Since 1990, the chemical industry has made tremendous progress in this regard: its production increased by 78% while energy consumption has gone down by 22%. Such improvements have taken place for example, through process intensification and integration, introduction of energy management systems, novel energy-saving processes, and the installation of Combined Heat and Power (CHP). Efficient use of energy and permanent upgrading of existing assets as well as new investment is a must for European chemical producers as energy costs represent a significant portion of production costs in Europe compared to other competing regions.

Industry will continue to explore further possibilities to increase its energy efficiency, through innovative solutions and with appropriate support where necessary. To further incentivize this progress, an ETS combined with support for innovation represents the most cost-effective tool to reduce energy-related emissions.

The chemical industry is and will remain a solution provider, leading to energy efficiency further in the value chain like in the construction industry, automotive, aerospace, homecare products and textiles. Our smart solutions for energy efficient buildings include products such as chemical-based insulation products, which significantly reduce the energy needed to heat or cool residential and service buildings.

Energy efficiency targets:

Sectors falling under the EU Emissions Trading System (ETS) should be exempted from any energy efficiency obligation to ensure the EU energy and climate framework is consistent.

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1 For example, the Sectoral Platform in Chemicals for Energy Efficiency Excellence (SPICE3) promotes energy efficiency across the European chemical industry with a special focus on Small and Medium-sized Enterprises (SMEs).
and does not increase their costs via overlapping regulation. This will support the European chemical industry to address international competition and support fair international trade.

All sectors of the EU economy must make a contribution in reaching the 30% energy savings target proposed by the Commission in a cost-effective manner, based on their bottom-up techno-economical potential. Increasing the rate and depth of renovation of the existing building stock offers much potential, as clearly identified by the Commission’s impact assessment.

Cefic supports the implementation of energy audits and energy management systems. We believe that bureaucratic effort and costs for chemical companies in this area can be further reduced especially for small and medium enterprises (SMEs), which are particularly impacted.

2. A cap on energy consumption is not appropriate for industry: energy savings should come from energy efficiency improvements rather than reduced industrial production

In the recent years, reduction of energy consumption has been partly due to energy efficiency improvements but also to a decline in EU industrial production, especially since the recession. Compared to the EU’s 2020 ambition, industry has reduced its energy consumption far beyond initial expectations while the transport and the residential sectors have yet to meet initial expectations. The next framework should reverse this situation and ensure that further reduction of final energy consumption in industrial sectors is considered in relative terms and comes from efficiency gains, not from reduction of industrial activity.

Some low-carbon solutions in the chemical Industry (e.g. biomass use; hydrogen based chemistry…) will require more, not less energy as shown in a recent DECHEMA study “Towards a carbon neutral chemicals manufacturing by 2050” (to be issued April 2017).

Member States must have sufficient flexibility to implement the target, leaving them the possibility to fix their national contribution either in terms of primary or final energy consumption target (as under the current framework).

3. Double regulation of industry through Energy Efficiency obligations (art 7) that overlap with the EU ETS, should be avoided in line with Better Regulation principles

The Commission proposes to extend the energy saving obligation after 2020, based on a flat and uniform rate of 1.5% per year. For the chemical industry, it is essential that energy use in ETS-driven sectors is excluded from the Energy Savings Obligation calculation and that participation in energy savings schemes remains on a fully voluntary basis, in line with the EU's Better Regulation agenda.

Renewable energy produced on or in buildings should not be excluded from the calculation of the energy efficiency obligation.

To ensure a coherent legislative framework and to ensure the 1.5% annual savings target is reachable, all future and existing policy measures should be able to contribute and Member States must have flexibility to develop their own instruments and designate the final consumers. EU institutions should first carry out an impact assessment after 2025 and look at remaining potential before extending the duration of the energy savings obligation beyond 2030.
4. Cefic supports the Commission and Members States in promoting energy efficiency in new and existing buildings

Around 40% of all the energy consumed in the EU is used in buildings and little progress has been made to reduce this up to now. The opportunity to tap in to its immense potential via deep renovation of existing buildings should be encouraged.

Therefore, Cefic supports the Commission proposal to set up a long term buildings renovation strategy. Reducing energy demand in buildings by renovation will contribute to the industry competitiveness. Long-term renovation strategies must therefore be regularly updated and must not be left to a single exercise at the beginning of each governance period. In addition, objectives for the long-term renovation of national stock must be expressed in final energy demand for residential and tertiary to be able to check compatibility with overall energy consumption target. Finally, it will be important to ensure that there is sufficient follow-up of these renovation strategies so that Members States effectively deliver on renovation actions.

Cefic recommends the following improvements to the current proposals on the revision of Energy Efficiency Directive (EED) and Energy Performance of Buildings (EPBD):

**Exemplary role of public buildings**

Public bodies’ buildings should play an exemplary role and must therefore be brought to higher performance levels. It is estimated that not more than 2% of the 22 million public buildings are owned by the central government and therefore the renovation [per year] would only apply to less than 0.01% of public buildings. The requirement to renovate centrally owned and occupied buildings must be complemented by a similar ambition for all public bodies’ buildings, which means that Member States should support their local and regional authorities in establishing renovation plans corresponding to 3% renovation a year e.g. by aggregating projects for ESCOs and getting access to funding. Reforming the accounting treatment for energy efficiency investments can also play an important role in this regard.

**Energy performance of buildings and long-term renovation strategies**

The EPBD has been effective in promoting energy efficiency in new buildings, but a more concerted effort is required to improve the energy efficiency of existing building stock. The EU and Member States must work to ensure long-term investments in energy efficiency in buildings by coming forward with a vision for the whole building stock translated in individual goals and renovation plans together with increased renovation rates.

Such vision for the building stock should also go beyond merely encouraging short term cost-efficient measures. Low ambition in this field is inconsistent with more ambition on the general energy target: according to the Commission’s impact assessment, final energy demand in 2030 should be no more than 243 Mtoe of final energy in residential and no more than 152 Mtoe in tertiary buildings in order to achieve the 30% energy efficiency target. The 2030 milestones of the renovation strategies should be aligned with these values.

We welcome the “Smart Finance for Smart Buildings” initiative which aims at accelerating the renovation of buildings by removing barriers to energy efficiency both of on the supply side of financing and at the level of demand. There are also non-financial barriers that hinder investments and need to be addressed e.g. gap between the investor and the beneficiary of efficiency projects in an owner/rental situation, as well as insufficient skills of the workforce and the capabilities of certification bodies.

In line with the “Energy Efficiency First” principle and the Nearly Zero Emissions Buildings (NZEB) definition, Cefic believes that a secondary indicator on final energy demand should be
introduced as an additional source of information in the **general framework for calculating the energy performance of buildings**, as already implemented in most of the Member States. Looking only at primary energy use would be misleading as an increased share of renewables with a low Primary Energy Factor in the electricity grid would give the wrong impression that the performance of a building has improved, although energy consumption has remained stable.

The possibility to discount on-site and off-site renewable energy production from primary energy factors is also in contradiction with the “Energy Efficiency First” principle and should be removed. The priority should be to reduce energy consumption through better insulation in order to avoid a rebound effect on electricity consumption in the building sector.

In addition, a clear guidance on the content and development of national renovation strategies, and a methodology to measure progress in implementing renovation strategies must be developed as part of the new governance of the Energy Union.

**Financial incentives and Energy Performance Certificates**

Cefic supports the Commission’s intention to link financial incentives to the comparison of energy performance before and after renovation. At the same time, it is important that EPCs reach their full potential and are translated into individual renovation strategies for each building. This could be achieved for example with the wide-spreading of building renovation passports.

**Smart buildings**

The introduction of a “smartness indicator” can bring useful information to energy consumers regarding the energy performance of buildings but low energy demand should be a precondition for a good smartness indicator. The “smartness indicator” should therefore not be put at the same level as the Energy Performance Certificate and should also not be included in the NZEB definition.
ENERGY EFFICIENCY IN THE CHEMICAL INDUSTRY

The chemical industry has an impressive track record on energy efficiency: Since 1990, the chemical industry has made tremendous progress in this regard: its production increased by 78% while energy consumption has gone down by 22%. Such improvements have taken place for example, through process intensification and integration, introduction of energy management systems, novel energy-saving processes, and the installation of Combined Heat and Power (CHP).

Chemical companies increasingly use combined heat and power (CHP) plants to generate both electricity and steam. Such cogeneration plants are an extremely effective means of supplying energy and, with an overall fuel efficiency of almost 90 percent, are the front-runners among energy conversion methods suitable for use on an industrial scale.

For example, BASF sites’ worldwide are supplied by more than 25 gas turbine plants in combined heat and power mode. By using CHP technology, BASF is able to meet around 70 percent of its electricity demand and saved about 14.0 million MWh of fossil fuels in 2016, compared to conventional electricity and steam generation. This corresponds to 2.8 million metric tons worth of prevented carbon emissions.
Heat utilisation, careful maintenance and automatized measuring have helped the company J.M. Huber Finland ltd factory to control the maintenance of their glass kiln. They included into this project improvements to the kiln itself and heat recovery system, as well as operators’ training.
ENERGY PERFORMANCE OF BUILDINGS

The chemical industry is and will remain a solution provider, leading to energy efficiency further in the value chain like in the construction industry, automotive, aerospace, homecare products and textiles. Our smart solutions for energy efficient buildings include products such as chemical-based insulation products, which significantly reduce the energy needed to heat or cool residential and service buildings.

In 2015, Total introduced two premium grades of grey Expandable Polystyrene (EPS), with and without flame retardant. Both are intended for the insulation market and used particularly in cases where maximum insulation performance must be achieved using a minimum thickness of material.

These Total EPS grades deliver environmental benefits representing 21% reduction in energy consumption and 23% reduction in greenhouse gas emissions.

Over 50 years ago, BASF invented a classic product for efficient insulation, known worldwide under the trade name Styropor®.

With Neopor®, they have taken this classic a step further: The novel feature of this product is the addition of black graphite particles which improve the insulation performance by up to 20 percent.
Polyurethane (PU) rigid foam systems are used in a number of cold and heat insulation applications. In addition to energy and cost savings, PU rigid foam offers architects freedom of design and additional living space due to slimmer construction options and as a result is used in house-building in a number of roof, wall and floor applications.
ELECTRICITY MARKET RE-DESIGN IS A CRITICAL COMPETITIVENESS SUCCESS FACTOR

- Ensure secure and reliable electricity supply
- Foster the emergence of market-based energy production and pricing mechanisms that include all energy sources equally in future policies
- There should be no priority access granted to certain technologies
- Capacity mechanisms should only be considered as a last resort and be coordinated across Member States
- Allow market-based rewards for voluntary demand-side management
- Closed distribution systems should continue to be exempted from Distribution System Operator (DSO) rules and reporting requirements

1. Market design is an important element of the package. In order to stimulate industry’s competitiveness. Energy intensive industries compete on global commodity markets and need reliable supplies of competitively priced energy through a fully liberalised European electricity market.

2. Future policies must foster the emergence of market-based energy production and pricing mechanisms which are open to all energy sources equally.

The new energy electricity market design aims to accommodate an increasing renewable energy source (RES) share in the EU energy consumption of 27% by 2030. Cefic believes this can be achieved most cost-efficiently in a fully liberalised market through more regional cross borders cooperation, more RES market exposure and more dynamic, short-term price formation allowing for both short and long-term contractual agreements. This should be coupled with demand-side response and increased accountability for stakeholders impacting on the stability of the grid.

This New Market Design (NMD) provides an opportunity to increasingly expose renewables to the market by consistently removing preferential treatment. Besides integrating more renewables, the aim of NMD should be to ‘innovate down’ costs to make Europe’s electricity generation sustainable and competitive. Coherence of the market design with this objective is a prerequisite and any policy overlaps or conflicts of targets should be avoided. Policy framework conditions should be non-discriminatory, technology-neutral and predictable over the longer term to enable sustainable investment decisions (i.e. investment at the best location) both in the power sector as well as in the energy-intensive manufacturing sectors. This should also avoid stranded investment and costly overcapacities.

The New Market Design should result in secure energy supply. To that end, Europe should urgently enable competitive electricity storage technologies. The chemical industry stands...
ready to cooperate and develop storage solutions. In the meantime, *parties creating imbalance on the market should be held responsible.*

The investment climate in Europe can be improved by removing *price caps* and by more dynamic pricing based on market principles, reflecting scarcity in terms of price differences and location. Where capacity mechanisms are in place, price caps may coexist to avoid double paying by consumers.

3. **There should be no priority access granted to certain technologies**

Priority access should be avoided. If some form of priority dispatch is maintained, it should also be accessible to high-efficiency Combined Heat and Power (CHPs). Furthermore, any exemption given to some sources of energy from balancing requirements should not be at the expense of other market players.

4. **Capacity mechanisms should only be considered as a last-resort option and be coordinated across Members States**

An integrated EU electricity market would also entail advanced market coupling and more regional cooperation. Cefic agrees that *interconnection capacities* should be made fully available in a predictable way for market participants through auctions and should be increased where necessary. *Optimised bidding zones* can offer proper market price signals, enable decreasing congestions and contribute to a security of supply. Long-term, structural congestions in the transmission network should thereby be overcome. Cefic agrees that *capacity mechanisms* should only be allowed as measure of last resort. They should be technology-neutral and be open for cross-border participation.

5. **Allow market-based rewards for voluntary demand side management**

Increasing share of intermittent renewable energy supplies will require more flexibility of demand. Chemical companies could provide demand response *flexibilities on a voluntary basis where possible and profitable.* However, the contribution to the industrial demand side management should not come at the expense of process and energy efficiency.

6. **Closed distribution systems should be exempted from DSO rules and reporting requirements**
RENEWABLE ENERGY, A GAME CHANGER

- Renewables will facilitate the transition towards a low carbon energy system. Innovative solutions developed by the chemical industry supports a more rapid and cost-efficient penetration of these renewables on the European market. Whilst transitioning, Cefic calls on policy makers to ensure industry’s stable access to competitive and secure electricity.

- Support for renewable energies must be cost-efficient, innovation-focused and contribute to real GHG emissions reduction. Any support schemes to renewable energies must diminish over time to enable a fully liberalised energy market.

- Establish a level playing field for the use of the same biomass; ensure a technology-neutral approach, looking at the entire life-cycle of products.

- The chemical industry provides innovative technologies to re-use CO$_2$ and other industrial gaseous effluents. Sustainable valorisation of CO$_2$ makes sense in all sectors and under different uses.

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1. Cefic supports the use of renewables as they contribute to lower the CO$_2$ content of energy produced and help facilitate the transition towards a low carbon energy system.

The chemical industry provides key enabling technologies to make this transition happen. It is a supplier of materials and technologies to a range of sectors including the energy/electricity producing industries.

At the same time, promotion of renewable energy should not endanger industry’s access to competitive and secure energy, which is vital for them to remain competitive on a global scale.

In the transition period towards a low-carbon energy system, Cefic calls on policymakers to look closely into technology improvement pathways and total system costs.

2. Renewable energy support schemes

Non-market and artificially favourable conditions shield beneficiaries from market forces thereby stifling innovation, inviting suboptimal, unproductive overcapacities and locking in security of supply risks and inefficiencies.

Support to renewable energies must become cost-efficient, focused on innovation that contributes to real GHG emissions abatement. These schemes must diminish over time and only benefit innovative technologies that are not - for the time-being - viable without support. The EU should also move away from subsidy schemes that have a market-distorting effect: support schemes should become market-based as well as market responsive. In any case, no subsidies should be granted in case of curtailment.

Clear, market-coherent conditions should equally apply to all market players as many small installations benefiting from market exemptions would ultimately lead to high balancing risks and market distortions. This will allow the development of renewable energy capacity on the liberalised electricity market in a harmonious way, in parallel with the development of the grid.

Cefic also supports a progressive opening of support schemes for renewables electricity to cross-border participation as an effective way of increasing competition between various...
technologies and exploiting the most appropriate locations, thereby leading to lower the costs of renewables.

Regarding **guarantees of origin**, it is important that the GO can still be traced in order to link them to specific renewable energy projects, and so the revenues of the GO are taken into account in the level of support.

### Renewable energy in heating and cooling

The “energy efficiency first” principle should also prevail in the heating and cooling sector. Promotion of renewables in this sector must be market-based and driven by the GHG reduction target.

As far as industry is concerned, the use of renewable energy sources for process heating is limited due to the necessary temperature levels which require a higher voltage than what renewable energy can normally offer. Wherever biomass can play a role, there are limitations related to the availability of biomass and the fact is in many cases, biomass is not cost competitive compared to natural gas. Due to these limitations, **no increased use of biomass for heating and cooling should be imposed to industry**. In specific cases where waste biomass is available and competitive, its use should instead be facilitated in the framework of EU’s efforts to develop circular economy.

### 3. Bio-based products: fair competition and technology neutrality principles must be enhanced

Chemistry and biotechnology enable the entire bio-economy value chain, from fertilizers, crop protection to bio-refining biomass into bio-based chemicals and materials that could go into food, feed, plastics, paints, adhesives, fuels and energy, lubricants, cosmetics, pharmaceuticals and many more applications.

Biomass is renewable, but its day-to-day availability for all these uses is restricted because of the limited amount of available land and water. Hence the competition for biomass is a fact and requires optimized use throughout society.

This is why Cefic:

- strongly supports policies ensuring that users competing for the same raw materials should be placed on the same level playing field;
- calls for a technology-neutral approach and encourages that each solution be assessed according to its ability to contribute through its entire lifecycle;

### 4. The chemical industry provides innovative technologies to re-use CO$_2$ and other industrial gaseous effluents

Therefore, Cefic asks that the sustainable valorisation of CO$_2$ as a renewables source of carbon is not limited to transport only. It is valuable in all sectors, including heating and cooling and under different uses.
SOURCING ENERGY FROM RENEWABLES

Renewables will facilitate the transition towards a low carbon energy system. Innovative solutions developed by the chemical industry supports a more rapid and cost-efficient penetration of these renewables on the European market. Whilst transitioning, Cefic calls on policy makers to ensure industry’s stable access to competitive and secure electricity.

In 2013, Borealis signed a contract with W@S to participate in the Antwerp Left Bank Wind Energy Project. As part of a greater project that includes the construction of around 50 wind turbines on the left bank of the Scheldt river (port of Antwerp), W@S installed three wind turbines on the Borealis Kallo site to generate wind energy which is consumed on-site in the chemical processes.
Cefic, the European Chemical Industry Council, founded in 1972, is the voice of 29,000 large, medium and small chemical companies in Europe, which provide 1.2 million jobs and account for 14.77% of world chemicals production.

Cefic members form one of the most active networks of the business community, complemented by partnerships with industry associations representing various sectors in the value chain. A full list of members is available on the Cefic website: www.cefic.org/About-us/Our-members

Cefic is an active member of the International Council of Chemical Associations (ICCA), which represents chemical manufacturers and producers all over the world and seeks to strengthen existing cooperation with global organisations such as UNEP and the OECD to improve chemicals management worldwide.