



ANTWERP DIALOGUE SPARKS KEY RECOMMENDATIONS FOR EUROPE'S INDUSTRIAL ELECTRIFICATION & COMPETITIVENESS

Brussels, 9 December 2024

Press Release

In light of the pressing need to address industrial electrification and strengthen Europe's ability to remain competitive, European Aluminium, Cefic (representing the European chemicals industry), and Eurelectric (representing the European electricity sector) convened a series of Antwerp Dialogues on Industrial Electrification & Competitiveness. These discussions brought together stakeholders from industry, the power sector, NGOs, unions, and think tanks to develop concrete solutions from both power demand and supply.

As EU energy prices remain significantly higher than those of global counterparts, the Dialogues underscored the urgent need for a comprehensive EU Action Plan for Affordable Energy Prices to tackle high energy costs, remove barriers to electrification, and ensure the competitiveness of energy-intensive industries in the global market. High energy costs are also hindering the penetration of long-term contracts for industry. Despite the welcome focus on renewable Power Purchase Agreements (RES PPAs) in the recent reform of the EU's electricity market design, the uptake of such contracts in our sector remains limited due to the cost and risk involved in matching variable renewable energy supplies to the baseload consumption profiles of industrial consumers. This Action Plan must be an essential pillar of the upcoming Clean Industrial Deal.

The Dialogues produced a set of six actionable [policy recommendations](#), co-signed by 12 industry associations and grounded in broad consensus, designed for swift implementation:

- 1. Removing Barriers to PPAs & Other Market-Based Long-Term Contracts for Industrial Consumers:** Expand access to long-term renewable power contracts by addressing financing barriers for industrial off-takers and supply-side bottlenecks in scaling renewables and grids. New state aid schemes should support matching industrial baseload consumption with renewable supply. The EU's regulatory framework must adapt to market needs for Power Purchase Agreements by removing barriers like short interconnection timeframes and high financial guarantees.
- 2. Boosting Financing of Low-carbon Technologies for Industrial Consumption & Production:** Mobilise resources to adopt electrification technologies and reduce market ramp-up costs through improved financial support, such as a proposed 'Electrification Bank.' Facilitate investments in energy efficiency, clean energy generation, and storage with streamlined permitting and tailored credit schemes to ensure broader access for industries and SMEs.

- 3. Addressing Taxes & Levies:** Encourage EU Member States to make full use of the ETS Indirect Cost Compensation funds to protect electro-intensive industries from relocation, with the framework to be strengthened and expanded beyond 2030. Align the EU Energy Taxation Framework with the objectives of climate neutrality and competitive energy costs while strengthening state aid provisions to support energy and environmental objectives.
- 4. Developing Flexibility Options:** Flexibility is key to balancing supply and demand, integrating renewables, and ensuring grid stability. The industry's flexibility potential is, however, limited and dependent on national market conditions, plant configuration and industrial processes. Comprehensive data assessments are thus vital to map and maximise flexibility potential across industrial sectors as well as demand and supply and ensure that industries that cannot incorporate flexibility in their industrial process are not disadvantaged.
- 5. Addressing Grid Fees, Permitting & Infrastructure Bottlenecks:** Grid reinforcements should be built out according to the EU Energy Market Design's integrated planning provisions. Improving visibility on developments, optimising connection procedures, and accelerating permits are equally critical. Financing and non-financial tools should prioritise infrastructure expansion while ensuring the competitiveness of the European industry. The EU Commission should assess, as a matter of priority, the impact of grid charges and capacity mechanisms on energy-intensive industrial consumers exposed to carbon leakage and propose appropriate changes to the relevant state aid rules.
- 6. Maintaining & Creating High-Quality Jobs:** EU and national funding must address skill shortages by supporting training and upskilling, with social conditionalities, such as social dialogue and vocational education, embedded in new government funding programmes.

Paul Voss, Director General of European Aluminium, commented, *"The Antwerp Dialogues delivered exactly what Europe needs: short-term, actionable recommendations to keep energy-intensive industries alive. European aluminium production and recycling, critical to our green transition and industrial future, are slipping away as we export valuable scrap and become more dependent on high-carbon imports. In concert with key partners such as any energy providers and policy-makers, we need to take immediate and decisive action to safeguard Europe's industrial base and the economic and social stability it has long underpinned."*

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Note to Editors

About the Antwerp Dialogues: Antwerp Dialogues bring together multiple stakeholders, including representatives from EU institutions, trade unions, industry, Member State governments and NGOs, to dive into specific aspects of the Antwerp Declaration for a European Industrial Deal. The dialogues examine questions around a specific topic of the Antwerp Declaration. They aim to result in key points of consensus to support future decision-making. The conclusions reached in the Dialogues are only endorsed by the organisations explicitly named in relation to the specific Dialogue conclusions.

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