

PUBLIC CONSULTATION ON THE REVISED CLIMATE, ENERGY AND ENVIRONMENTAL AID GUIDELINES (CEEAG)

– Comments and Contributions from APQuímica, the Portuguese Association for the Chemical, Petrochemical and Refining sector –

APQuímica and its Industrial Gases Working Group (IG WG) appreciate this opportunity to express its views and make contributions for this EC Public Consultation on the revised Climate, Energy and Environmental Aid Guidelines.

The Portuguese chemical sector is strongly committed to actively contribute to the energy transition and decarbonisation processes in Portugal and in Europe, in order to achieve the objectives set in the European Green Deal. Positioned at the initial stage of the main European industry value chains, the chemical industry has the **necessary know-how, experience and investment capacity to play a central role in this context**, by providing the solutions, products and expertise not only to support its own climate transition, but also to support the climate transition of most other industrial sectors, in particular hard-to-abate ones.

With less than 30 years to implement massive changes, we acknowledge the importance of setting up **an enabling regulatory framework and supportive policies to meet Europe's ambitious climate targets, while maintaining the competitiveness of industrial value chains across the EU in a context of reindustrialization**.

Therefore, APQuímica and its IG WG welcome a revision of CEEAG as a way to set the right support framework to address the current market failures and financing gaps experienced by most climate and environment transition initiatives, especially the ones based on emerging technologies and market segments. Combined with national and European direct support under the national Recovery and Resilience Plans, ESIF, the Innovation Fund, EIB green transition financial mechanisms, **CEEAG should be able to unlock and leverage the significant level private investment that is necessary to match the European Green Deal ambition and meet its targets**.

In this context, APQuímica defends a **coherent CEEAG approach, aligned – and not conflicting - with other relevant regulations (e.g. RED, ETS, CBAM)**, that prioritises safety and energy efficiency and provides a **level playing field between technologies and between Member States**.

In the specific case of Industrial Gases, APQuímica and its IG WG would like to stress:

- The importance of industrial gases – oxygen, hydrogen, nitrogen and argon, separately or together – as an enabler of climate and environmental transitions;
- The importance of safe handling industrial gases throughout their value chains (from production, to storage, transportation and consumption) and the key role of scale and synergies for achieving technical and economic efficient solutions in most cases;
- The importance of assuring a level playing field between insourced/end-user and outsourced models for industrial gas production;
- The fact that industrial gases is a significant part of key value chains of the chemical and other industrial sectors, with higher costs increasing the risk of relocation of both industrial gases and those downstream sectors and/or having a negative impact on its competitiveness in international markets.

Supporting EIGA's position on this specific matter, we would advocate that **industrial gases (NACE 20.11) should also remain on the list of sectors eligible for reductions from electricity levies for energy intensive users (EIU), being included in the Annex 1 of CEEAG as a way of encouraging its own energy transition and indirectly the energy transition of related downstream sectors.**

APQuímica

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APQuímica is the Portuguese reference association for the Chemical, Petrochemical and Refining sector. It integrates more than 60 associate entities, including major industrial companies, SMEs, startups, universities, R&TD centres and other entities with relevant operation along their value chain.

APQuímica's EU Transparency Register n.º: 089396732826-79

The Chemical, Petrochemical and Refining sector in Portugal accounts for:

- 11 billion of annual turnover
- 181 countries as the sector exports' destinations
- 1,6 billion of Gross Value Added (GVA)
- 52,000 direct and indirect jobs
- 12% of total Portuguese exports
- 1/5 of the total investment in innovation amongst the manufacturing industry

Source and additional information: www.apquimica.pt / info@apquimica.pt