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ROCKWOOL Group's response to EC public consultation on the revised Guidelines for State Aid for Climate, Energy and Environmental Protection 2022

ROCKWOOL Group, the leading European manufacturer of fire safe stone wool insulation, welcomes the Commission's proposal for a revision of the Guidelines for State aid for climate, energy and environmental protection to align the guidelines with the objectives of the Green Deal.

Mineral wool insulation can either be based upon glass or stone, and the manufacturing of mineral wool is energy-intensive. Despite belonging to the same industry, the mineral wool manufactures are covered by two separate NACE codes (glass and stone wool). Electrification is an important part of ROCKWOOL Group's decarbonisation strategy. Therefore, it is highly important that the mineral wool industry in the EU (both glass and stone wool), is given same conditions to receive reductions from electricity levies (section 4.11) to avoid distortion of competition.

Glass and stone wool products are substitutable. The European insulation market is competitive and almost 100% price-driven. There is no significant difference between different kinds of mineral wool products in terms of climate impact.

To be granted equal access to receive reductions from electricity levies for energy-intensive users, the mineral wool industry must be treated as one sector in the EU's guidelines. Unfortunately, this is not the case in the Commission's proposal when the eligibility criteria is applied at NACE code level.

Stone wool belongs to a heterogeneous NACE code (23.99¹), covering a wide range of very different industries for non-metallic mineral products. Whereas glass wool belongs to a homogeneous NACE code (23.14²) with similar industries. Due to the evaluation at NACE code level in the State aid guidelines, only glass wool has been included in Annex 1 as an eligible sector to receive grant reductions from electricity levies.

Stone wool will meet the eligibility criteria in section 4.11.3.1 (both trade and electro-intensity) at PRODCOM³ level but not at NACE level due to the heterogeneous composition of its NACE code.

The proposed guidelines on this point, seriously threatens to undermine fair competition in the mineral wool sector, which is dependent on increased electrification to decarbonise its production and which in other contexts in EU legislations⁴ and EU standards is regulated as one sector.

Having a stable regulatory framework with a level playing field will be a key parameter when companies are to prioritise future investments supporting the green transition.

In order to avoid the state aid guidelines to introduce distortion of competition within the mineral wool industry we encourage the Commission to adjust the draft text in section 4.11.3.1 to allow for subsector evaluation at relevant PRODCOM level in case of heterogeneous NACE codes.

Best regards

Susanne Dyrbøl, Public Affairs Director - Group Regulatory, ROCKWOOL Group, Hedehusene, Denmark
E-mail: Susanne.dyrboel@rockwool.com, phone +45 2428 9345

¹ NACE 23.99 "Manufacture of other non-metallic mineral products n.e.c

² NACE 23.14 "Manufacture of glass fibres"

³ PRODCOM code Stone wool: 23.99.19.10

⁴ Inclusive the EU-ETS, where the mineral wool sector has one benchmark.