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Public consultation on the revised Climate, Energy and Environmental Aid Guidelines (CEEAG)

During the analysis and work on the full text of the position paper, Polish Chamber of Chemical Industry noted with concern the absence of the industrial gases sector (NACE 20.11), which is one of the most energy-intensive sectors, from the list of eligible sectors.

Following the "efficiency-first" principle we pay attention that some parts of the value chain of our production processes are key to the environmental efficiency of our products. A key example is represented by our interface with industrial gas manufacturing (NACE 20.11).

The use of oxygen in particular in production processes in itself considerably increases efficiency by improving the production capacity of furnaces for example; this provides both economic and environmental gains. When oxygen is outsourced, efficiency gains are further improved; outsourced production generally has a lower carbon footprint than insourced because larger, more efficient IG plants can offer optimized operation, often serving multiple consumers on networks and providing synergies between different uses. As it is one of the most electro-intensive sectors, any efficiency gain in this part of the process leads to the material reduction of emissions.

Being an integrated part of the value chain of processes that are exposed to international trade, the industrial gases sector is indirectly exposed to the risk of relocation. Considering the important role

of the industrial gases (mainly oxygen, nitrogen, argon and hydrogen) in the decarbonisation of industrial processes, withdrawal of sector 20.11 from the list would not only increase the risk of relocation of many sectors on the proposed Annex 1 but also inhibit these sectors' continued decarbonization (20.11 sector is today part of the annex 3 of EEAG).

We therefore argue for the re-inclusion of the IG sector in the updated guidelines to ensure that the efficiency, economic and environmental gains of outsourced industrial gases production can continue to contribute to the European industry's decarbonization and competitiveness.



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