



15th of July 2021

## **The Danish mineral wool industry's response to EC public consultation on the revised Guidelines for State Aid for Climate, Energy and Environmental Protection 2022**

To meet the new EU 2030 climate target of 55% it is important that EU regulations are revised to secure they support the profound, green transition of different sectors in EU. The State Aid guideline is an important tool and must be updated to give the needed incentives for a green transformation of the industry. The Danish mineral wool industry welcomes a revision, but we are highly concerned about the unfair competition the draft new rules will create for our industry.

On EU level as well as on a national level, industry has a responsibility for contributing to the realization of EU and national climate target. Our industry in Denmark acknowledges this responsibility, and we have initiated a green transition of our Danish productions. In Denmark electrification is a corner stone in the green transition and an important tool to obtain the Danish goal of a 70% reduction in GHG emissions by 2030. Such a transition of the industry requires substantial innovation, huge investments, and security of the framework conditions where the option for energy intensive industries to receive reductions from electricity levies will continue to be an important incentive.

Unfortunately, the proposal for revision of the Guidelines for State aid for climate, energy and environmental protection will create a new situation with different cost implications for two very similar and important products for the overall green transition of EU – mineral wool. Production of glass wool insulation and stone wool insulation will as a consequence of the new guidelines have very different framework conditions as they belong to two different NACE codes. Glass wool meets the proposed eligibility criteria, whereas stone wool will not be granted equal access to receive reductions from electricity levies for energy-intensive users as stone wool only meets the eligibility criteria at subsector level (prodcom).

This will result in market distortion and unfair competition and we strongly recommend the EU Commission to solve this technical issue where similar products are grouped in different NACE codes, by allowing eligibility criteria to be evaluated at subsector level to secure a level playing field for the mineral wool industry in EU.