

Ad hoc group 3 on « Competitiveness of and access to cost-effective energy inputs for energy intensive industries »

Mandate

Context

The Commission has decided to set up a High Level Group (HLG) on Competitiveness, Energy and the Environment from high level persons with competence and responsibility in the areas of industry, energy, and the environment. The HLG will address issues where competitiveness, energy and environmental policies interrelate. The High Level Group will seek input from experts and stakeholders through ad hoc arrangements, by setting up a limited number of ad hoc groups that will examine specific questions under the terms and conditions of the present mandate.

Objective

The ad hoc group will give input to the Sherpa sub-group of the HLG. It shall provide relevant specific as well as background information on how environment, energy and other factors impact the competitiveness of European energy intensive industries and on how access to energy inputs affect this competitiveness. The information provided by the ad hoc group should enable the identification of measures and actions aimed at, notably, ensuring access to affordable energy inputs in full conformity with competition and internal energy market rules. The ad hoc group will draw on existing studies and research, and on facts and observations contained in reports produced by academics or available in other institutions and the Commission DGs. Links with other ad hoc groups, notably ad hoc groups 1, 2 and 4 will be ensured.

Work plan

The scope of work shall include the following issues:

- 1. Identification of environment and energy factors impacting the competitiveness of the energy-intensive industries within the context of other drivers of productivity:** After having defined the scope of “energy-intensive” industry, the ad hoc group should concentrate its work on the identification of the main energy/energy feedstock, environment impacting the (international) competitiveness of the energy intensive industry. It will have to analyse the relative importance of the different factors as well as developments over time.
- 2. Advise on how energy intensive industries can access cost-effective energy inputs in the internal market:** The group will analyse how energy intensive industries can maximise the cost-effectiveness of the sourcing of their energy inputs, notably for electricity, gas and coal in the internal market in a manner that is fully consistent with the environmental acquis as well as competition and internal energy market rules. This

analysis should cover, inter alia, the following questions: possibilities for developing pooled generation resources, contractual issues relating to relations between energy intensive industries, generators and other market parties.

Methodology and deliverables

The meetings will be convened by the Commission. The ad hoc group shall organise its discussions on the basis of presentations by experts and/or members with specific competence on the issues to be addressed by the ad hoc group. The composition of the ad hoc group for each work area remains flexible. Ad hoc group members are invited by the Commission. The meetings shall be chaired by a representative of DG Enterprise and Industry of the European Commission. The ad hoc group shall produce a report, written contributions and/or slides summarising issues and alternative solutions for consideration by the Sherpa sub-group. The minutes of the meetings of the ad hoc group will be drafted by the secretariat provided by the Commission. Members of the Sherpa sub-group may also attend the ad hoc group meetings.

Timetable and duration

The ad hoc group members shall start working as early as possible. They will be invited by the Commission to attend a meeting of one or two days during the second half of March. If necessary, another meeting will be organised in April. The ad hoc group shall be closed by the second HLG meeting having addressed the issues outlined in the work plan.