

EUROALLIAGES' STATEMENT ON THE EXPLANATORY DOCUMENT ACCOMPANYING ARTICLE 7 OF THE ENERGY EFFICIENCY DIRECTIVE

The European Commission is currently developing guidance documents to assist the Member States during the transposition of the recently adopted **Energy Efficiency Directive**¹ (EED).

EuroAlliages would like to use this opportunity to lay down core principles which should be taken into account in these explanatory documents, and especially with regard to **Article 7** of the EED.

EuroAlliages is the European association of ferro-alloys and silicon producers. It represents more than 95% of the production based in the EU and the EEA. EuroAlliages' members pay special attention to the European energy efficiency policy. Representing an energy intensive industry, they are endeavouring to reduce the costs linked to energy consumption, which are a central competitive factor.

With regard to the European climate and energy policy, the European ferro-alloys and silicon sector is covered by the ETS Directive² and is exposed to a high risk of carbon leakage³. The European producers are ensuring their compliance to EU ETS, however these efforts are triggering important costs for them and undermining their **competitiveness at international level**, especially in a context where they are facing fierce and unfair competition from third countries, which are far from implementing the same levels of environment protection.

The production of ferro-alloys and silicon is subject to electrometallurgical processes which go along with intrinsic and unavoidable process emissions. The European industry has been investing and improving the level of process emissions and has today almost reached the ceiling of improvement with the technologies currently available. Besides, the last digits of improvement that are close to the physical limits are the most costly to achieve for marginal gains.

It is therefore vital for the European ferro-alloys and silicon sector that the burden is not increased by making it the subject of mandatory energy saving schemes.

¹ Directive 2012/27/EU of 25th October 2012

² Directive 2003/87/EC of 13th October 2003

³ Commission Decision 2010/2/EU of 24th December 2009

However, the European ferro-alloys and silicon sector will continue to play an active role towards the achievement of the European climate and energy policy targets and contribute to energy efficiency policy where possible. In order to ensure that the legislation which paves the way is realistic and feasible, **it is necessary to give a central place to the economic viability of the energy saving schemes** and to assess and duly take into account their impact on the international competitiveness of the European industry.

Any energy saving scheme should be limited to the situations where it is economically compatible with process characteristics, process scale, grid operating conditions and potential local consumption. These conditions must be assessed at local level.

Moreover, the development of appropriate financing is of utmost importance as it appears in the majority of the cases as a decisive factor in the effective implementation of energy recovery. EuroAlliages insists that **financial support to energy saving projects should be a central point in the realisation of the European energy efficiency policy.**

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