



Annual report 2018

## Securing Competitive Energy For Industry

[www.ificEurope.org](http://www.ificEurope.org)

# Foreword

Dear Readers,

This has been an incredibly important legislative year for the European Union and for IFIEC. We witnessed the completion of most EU Clean Energy package files, the adoption of the revised EU Emissions Trading System (ETS) and its continuing technical implementation work, as well as the electricity and gas market debates and network code implementations - just to name a few. Yes, we are now in the very midst of the 2030 energy transition. New ambitious climate targets mean that our industries have to innovate faster than before and therefore we even more urgently need the right industrial policy framework conditions at EU level.

This annual report gives an excellent overview of who we are and what we have done in 2018. Our outreach to EU policymakers has been an intense one this year. Besides a comprehensive series of meetings and participation in a variety of high-level fora, we also organised yet another **IFIEC Europe Energy Forum** which was joined by EU Commission Vice President Jyrki Katainen, Bulgarian Deputy Energy Minister Zhecho Stankov and MEP Julie Girling, alongside many other high profile speakers. At our October IFIEC Board meeting we also had the pleasure to discuss the state of the Energy Union with EU Commission DG Energy Director Klaus-Dieter Borchardt, his kind readiness to join us was but another sign of how IFIEC Europe is valued in Brussels.

Finally, 2019 will mark an important political year with the European elections. Not only Brussels, but also IFIEC Europe is entering into a transition phase. As of the middle of this year, we have started expanding our public affairs activities, most notably with the aim to be able to even more effectively work with all stakeholders and the new and established EU policymakers in 2019-2024!

I wish you pleasant reading.

Yours truly,

**Steinar Solheim**  
IFIEC President



# About IFIEC Europe

Since 1989, IFIEC Europe is unique in the Brussels EU trade association landscape in that it represents energy intensive manufacturing industries at a cross-sectoral level and from the perspective of large energy consumers.

Through its national member federations, IFIEC Europe represents manufacturing companies and sectors for whom energy is a significant component of production costs and a key for competitiveness in both Europe and throughout the world.

IFIEC Europe was founded on the belief that competitive energy supply, responsible use of energy and consumer choice and flexibility, are the necessary ground rules for competitive and sustainable industrial activity in Europe.

# 15

National European Associations

# 500+

Leading Manufacturing Companies

IFIEC Europe represents energy intensive industries at a cross sectoral level:



# Working Parties

The IFIEC Europe Working Parties are at the heart of IFIEC. They are made up of technical experts from IFIEC member organisations, affiliated company experts and guests from energy intensive sector organisations. Working Parties meet physically 4-6 times per year in Brussels.

## Climate & Efficiency



**Michiel Cornelissen**  
Chair W/P Climate & Efficiency



**Jean-Philippe Perrot**  
Rapporteur W/P Climate & Efficiency

Working Party Climate & Efficiency (WPCE) closely monitors Climate change policies and advocates for effective and efficient measures that safeguard EU industrial competitiveness. IFIEC Europe's members achieve impressive results in developing efficient technologies and innovative products. In order to be able to invest in carbon emission abatement technologies and raw material efficiencies, they need a policy framework that effectively avoids carbon leakage and supports investment and innovation for industrial manufacturing. Innovation leads to high efficient production and climate solutions, not only for the European market, but globally.

### Achievements

- IFIEC WPCE Chair officially nominated as member of the EU Commission Expert Group on Climate Change (CEEG)
- Leading on EU ETS implementation phase: discussing, coordinating and contributing to technical follow up work via CCEG together with industry and Commission experts
- Responded to EU consultations on ETS Carbon leakage list, Innovation Fund, Free Allocation Rules, Long Term 2050 Climate Strategy
- Contributed to Energy Taxation Directive evaluation and to workshop organised by DG TAXUD and Deloitte on possible revision
- Discussions with EU Climate Commissioner, organised 1 workshop and 1 meeting with DG CLIMA, and discussion with 1 DG CLIMA Head of Unit invited to WPCE.
- Developed proposals to the Clean Energy Package files: Renewable Energy, Energy Efficiency and Governance.
- Contributed to and cosigned position papers together with other members of the Alliance of Energy Intensive Industries

# Electricity



**Peter Claes**  
Chair WP  
Electricity



**Inger Kristin Holm**  
Rapporteur WP  
Electricity

The Working Party Electricity prepares and promotes IFIEC Europe's positions in the domain of electricity markets, electricity price competitiveness and infrastructure and Security of Supply. It concentrates on issues linked to the implementation of the EU Electricity Target model through development of grid codes, transparency legislation, market design and relevant legislation, and proposes corrective actions if European industry's competitiveness is threatened. It also seeks to promote opportunities for industrial consumers in the liberalized electricity markets (auto-production, prosumers, demand response).

## Achievements

- Closely followed, discussed and worked with EU policymakers on the Clean Energy Package Electricity Market Design files
- Successfully corrected rules on "Closed Distribution Systems" during legislative negotiations on the EU Electricity Directive
- Responded to a variety of ENTSO-e consultations
- Active participation in the ENTSO-e stakeholder committees and advisory Council
- Represented IFIEC and promoted industry consumers positions and interests at:
  - the High Level Florence Forum
  - I.D.E.A.S forum
  - the Pentalateral Energy Forum
  - the SmartGrid Taskforce
  - CWE and CORE Consultative Groups
  - Energy Technology Platform
  - XBID Users Group

# Gas



**Valentin Höhn**  
Chair WP Gas

The Working Party Gas follows EU level developments on security of gas supply, network codes, rules for gas pipelines and the discussions on the gas market and the future role of gas. WP Gas was very closely involved in the work on the 3rd Energy Package and is currently anticipating the upcoming EU "Gas Package" that is to be presented in 2020. Clearly, the shale gas revolution in the U.S. put the European industrial end consumers at a competitive disadvantage and at the same time the European gas supply is still dominated by too few suppliers. WP Gas Expertise on Gas issues is highly sought after in Brussels and IFIEC Europe's mission is to continuously ensure competitive prices for industrial consumers.

## Achievements

- Represented IFIEC at the High-Level Madrid EU Gas Forum
- Regular attendance and Member of EU Commission Gas Coordination Group
- Discussed pipeline priorities with Commission DG Energy Director Klaus Dieter Borchardt at IFIEC Board Meeting
- Closely following the Gas Network Codes Implementation Process
- Closely following Security of supply issues and legislation, e.g. rules for Gas pipelines entering the EU market, Solidarity Mechanism
- Monitoring and discussing future demand of Gas, future role of gas, gas innovation and decarbonisation
- Participated at a Brussels "Future Role of Gas" debate
- Led industrial consumer response to Quo Vadis consultation

# EU Energy & Climate Policy Framework

## Competitiveness

- Industrial Policy Strategy
- Innovation and Funding
- Global level playing field
- State Aid Rules

## Gas

- Network codes implementation
- Pipeline infrastructure
- Security of supply of gas
- Future role of Gas
- Upcoming Gas Package in 2020



## Climate

- EU ETS Phase 4: Implementation phase
- EU 2050 Climate Strategy
- Energy Taxation Directive
- Clean Energy Package:
  - Renewable Energy Directive
  - Energy Efficiency Directive
  - Energy Union Governance Regulation

## Electricity

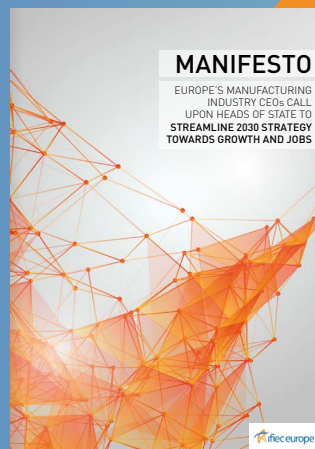
- Network codes implementation
- Clean Energy Package:
  - Reform of Electricity Market Design Directive and Regulation
- Market integration, capacity calculations and cross border flows

# IFIEC Europe Manifesto 2014-2018

The IFIEC Europe Manifesto was published in 2014 in view of the 2014-2018 legislative period and calls upon EU Policymakers to align the EU's industry, energy and climate policies towards a new strategy with regulatory stability, consistency and predictability for industrial investment, innovation, growth and jobs in Europe.

Over 175 CEOs representing companies from 23 different countries with more than 1.2 million direct jobs and a cumulated turnover in the range of EUR 430 bn as well as several other associations and federations have supported this initiative.

The Manifesto was presented at a press conference held on 27 February 2014 at the Hotel Silken Berlaymont in Brussels.



Coming soon

New IFIEC  
Manifesto for  
the 2019-2024  
European Union  
legislative cycle.

## Recommendations of the 2014-2018 Manifesto

- **Make industrial renaissance the most important objective to move Europe out of the crisis**
- **Manufacturing industry needs access to globally competitive energy**
- **Climate objectives must be set to keep a high performing industry in Europe**
- **Enabling the EU manufacturing industry to grow will reduce global GHG emissions and contribute to the "greening" of the EU economy**



# Market figures: Energy Intensive Industries and Energy Consumption

## Final electricity consumption by Energy Intensive Industries (EIs) in 2016



**2,784 TWh**  
Economy-wide final electricity consumption

**1,010 TWh (36%)**  
Overall industrial electricity consumption

**581 TWh (20%)**  
EIs electricity consumption

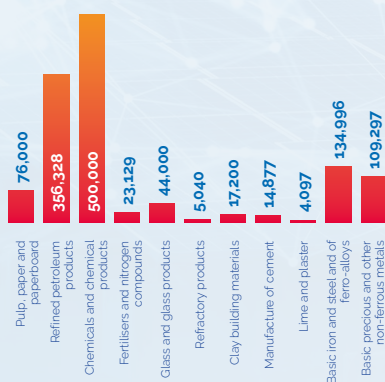


**2.5 million**  
People employed by EIs (direct employment)



**€1.3 trillion**  
Total aggregate production value for EIs in 2015

## Production Value in EUR Millions, 2015

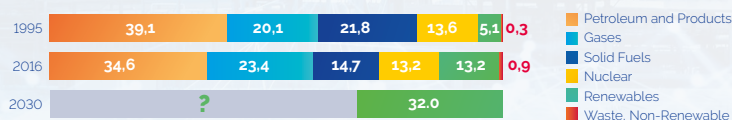


Source: [https://www.ies.be/files/Industrial\\_Value\\_Chain\\_25sept.pdf](https://www.ies.be/files/Industrial_Value_Chain_25sept.pdf)

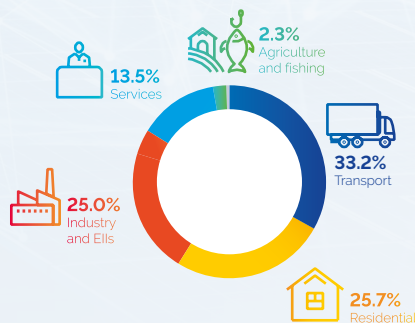
## World Final Energy Consumption by Region, Mtoe, evolution 1995-2015



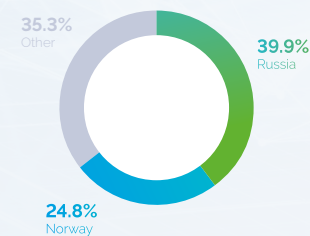
## EU28 Final Energy Consumption by Fuel (%)



## Final Energy Consumption by sector



## EU-28 imports\* of natural gas - 2016



Source: <https://publications.europa.eu/en/publication-detail/-/publication/g9fc30eb-c06d-11e8-9893-01aa75ed71a1/language-en/format-PDF/source-77059768>



# IFIEC Europe Activities in 2018

## IFIEC Europe Energy Forum 2018



15-16 May 2018, the IFIEC Energy Forum was attended by over 80 senior officials and featured EU Commission Vice President Jyrki Katainen and MEP Julie Girling as keynote speakers. Other speakers included Zhecho Stankov, Deputy Minister for Energy from the Bulgarian Council Presidency, EPC Chief Economist Fabian Zuleeg, Florian Ermacora from DG ENERGY, Damien Meadows of DG CLIMA, market trends by Matthew Monteverde (Argus) and expert presentations by the IFIEC's Working Party Chairs.



## IFIEC Europe in the Media



**+38%**

Followers: Getting more and more active on twitter.



**500+**  
Views per month

Internal IFIEC members-only monthly Newsletter



New annual report



IFIEC Europe experts consulted by Financial Times on future energy mix and renewables

## Speaking and representing IFIEC in Brussels and beyond



European Energy Forum



Energypost.EU event on future roles of gas



Annual ACER Conference



EU Climate Conference



ENTSO-e  
Advisory Council  
and Stakeholder  
Committees



EU Climate  
Conference



ACER Annual  
Conference



European Utility  
Week



EU Commission  
Expert Group on  
Climate Change



European  
Electricity  
Regulatory  
"Florence Forum"



Madrid Gas  
Forum and EU  
Commission Gas  
Coordination  
Group



Alliance of  
Energy Intensive  
Industries



Industry4Europe  
Alliance



Energypost.EU  
event on future  
roles of gas



European  
Energy Forum



EU Parliament  
Strasbourg  
Meeting  
Programmes

# IFIEC Board & Team

## Board members



**Steinar Solheim**  
IFIEC PRESIDENT



**Alessandro Profili**  
DEPUTY PRESIDENT  
AICEP – Italy



**Carlos Abreu**  
APIGCEE – Portugal



**Knut Baumann**  
Norsk Industri – Norway



**Peter Claes**  
FEBELIEC – Belgium



**Nicolas de Warren**  
UNIDEN – France



**Hans Grünfeld**  
Royal VEMW –  
The Netherlands



**Pasi Kuokkanen**  
ELFI – Finland



**Barbara Minderjahn**  
VIK – Germany



**Thomas Mock**  
VIK – Germany



**Jeremy Nicholson**  
CHAIR OF MANAGEMENT  
COMMITTEE



**Jean-Pierre Roncato**  
UNIDEN – France



**Konstantin Stamenov**  
BFIEC – Bulgaria



**Juan Vila**  
GasIndustrial – Spain



**Manoussos Voloudakis**  
UNICEN – Greece



**Jaromír Vorel**  
AEM/SVSE – Czech Republic



**Christopher Webb**  
CHAIR OF AUDIT COMMITTEE  
EIUG – U.K.

## EU Brussels Office



**Roger Goffin**  
SECRETARY GENERAL



**Daniel Gerber**  
DIRECTOR PUBLIC AFFAIRS

## Working Party Management



**Peter Claes**  
CHAIR WP ELECTRICITY  
FEBELIEC – Belgium



**Inger Kristin Holm**  
RAPPORTEUR WP ELECTRICITY



**Valentin Höhn**  
CHAIR WP GAS



**Michiel Cornelissen**  
CHAIR WP CLIMATE & EFFICIENCY



**Jean-Philippe Perrot**  
RAPPORTEUR WP CLIMATE &  
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 **Verband der Industriellen Energie- & Kraftwirtschaft Energie für die Industrie**

**IFIEC Europe - International Federation  
of Industrial Energy Consumers**

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*As an energy intensive sector organisation, CEPI follows and attends IFIEC meetings. The political reach of IFIEC is impressive as could be seen in the 2018 Energy Forum line-up. Chapeau!*

**Sylvain Lhôte**  
Director General of CEPI – Confederation of European Paper Industries



*The technical expertise and added value of the IFIEC Working Parties is unique in Brussels. Their access to specific EU expert knowledge and the discussions among members perfectly complement my EU affairs engagement as a senior chemicals company expert.*

**Dr. Brigitta Huckestein**  
Senior Manager Energy and Climate Policy at BASF