Resolution for the ECRN Presidium

21st March 2007

Antwerp/Belgium

"ECRN response on the European Energy Action Plan"

At the meeting of the Presidium of the European Chemical Regions Network the following resolution was adopted:

- The European Chemical Regions Network welcomes the groundbreaking decisions of the European Council on the Energy Action Plan on March 8/9 2007 in Brussels and congratulates the European Commission for its efforts to arrive at concise and far-reaching agreements.

- European Chemical Regions are in particular effected by all aspects of these decisions since they are the location of energy intensive industries competing at a global market, they are often also the location of Research and Innovation in renewable energies, they are the destination of many feedstock pipelines in Europe and they are strongly involved in the development of new technologies such as combined heat and power (CHP) as well as renewable energies. Therefore it is only logical that the chemical regions have taken a great interest in the debate on energy at European level over the past years.

- **Internal Market for Gas and Electricity**

  Competitive and predictable energy price are a key precondition for maintaining the competitiveness of energy intensive industries in Europe and for the necessary investment in the energy infrastructure in Europe.

  Therefore the European Chemical Regions Network welcomes the decisions of the European Council to foster the European-wide internal energy market and to

improve the cross-border co-operation as well as the regional energy co-operation.

The European Chemical Regions Network urges the Commission to ensure fair competition with minimal inefficiencies in order to ensure a truly European Energy Market.

- **Security of Supply**

  The security of supply of energy based on an effective diversification of energy sources and transport routes is of vital importance for the viability of chemical sites and chemical regions in Europe.

  The European Chemical Regions Network therefore welcomes the Council decision to set up an Energy Observatory within the Commission to provide more information and analysis in this field and it expresses its interest for close co-operation in the future.

- **International Energy Policy**

  For the first time the European Member States agreed upon a common approach to external energy policy to provide a European framework for partnership with the main energy providing regions in and around Europe.

  The European Chemical Regions Network welcomes this move towards a more coherent approach since external aspects of energy policy are and will be of key importance for stable and predictable energy supply.

- **Energy efficiency and renewable energies**

  The European Union has set itself ambitious targets to increase energy efficiency saving by 20% until 2020. a binding target of 20% until 2020 for the use of renewable energies as well as a binding target for biofuels of 10% until 2020.

  Furthermore the European Council underlined the central role that emission trading play to reduce greenhouse gas emissions by stressing the importance of reviewing the current EU Emissions Trading Scheme to improve cost-effective means to deliver emissions reductions at minimum cost – including as regard energy-intensive industries.

  The European Chemical Regions Network stresses its concern that these targets can only be met, if

  - the efforts are intensified by the European Union to arrive at global agreements to energy efficiency.

  - the implementation of these targets into National Action Plans take into account the efforts already taken in many chemical regions to improve energy efficiency over the past years.

- the impact of these measures on the competitiveness of the industries is constantly monitored and taken into account in order to avoid the reallocation of chemical production to other countries, where lower standards for environmental protection and climate protection cause competitive advantages by lower costs. This reallocation would cause increased emissions as additional transport and infrastructure measures at the locations (e.g. sea water desalination) will take place.

- the EU emission trading scheme is improved by providing an equal level playing field for the industry, not hindering new entrants and is part of a global system of emission trading including the main economic drivers in the world.

- **Energy Technologies**

  The European Council has stressed the need to strengthen energy research in Europe by developing a European Strategic Energy Technology Plan and by putting more emphasis on new and innovative technologies. This contains highly efficient and clean power plant technologies with safe carbon capture and sequestration (CCS).

  Furthermore the European Council took note of the contribution of nuclear energy in meeting the growing concerns about energy supply and CO2 emissions reductions.

  The European Chemical Regions Network supports the need to invest further resources into new energy technologies. The chemical regions stress their role in fostering the co-operation of science and technology and industry at regional level. Furthermore the network supports the intended broad discussion among all relevant stakeholders on the opportunities and risks of nuclear energy.

Energy policy and climate change has become a point of concern for all the regions taking part in the ECRN. There is however quite a big difference in the power to act between the regions. Some regions have the possibility to make legislation regarding measures to deal with climate change, others only play a minor role.

All chemical regions act on behalf of their citizens and therefore can influence energy consumption behaviour. Most of the regions have a task on monitoring air, soil and water contamination and have the possibility to set the margins. Some of the regions have a share in regional or even national and international energy production companies. All regions have powers to manage the use of land and restrict the type of use of the land. There are many differences between regions, but all regions have measures that are meant to stimulate energy efficiency and reduce the emission of CO2.

Chemical Regions can help each other in discussing and promoting best practices, opening up regional knowledge networks that could lead to energy efficiency or join hands in creating and finance cross border pipelines for energy (electricity and natural gas).

The European Chemical Regions Network will continue to work on energy efficiency, cross border energy supply networks, projects in producing clean or renewable energy or the use of new forms of energy in all perspectives of the chemical industry.

The European Chemical Regions therefore offers further support and co-operation in playing an important role for implementing the EU Energy Action Plan.