

The 9th Refining Forum finds the EU refining Vision 2050 and Commission Strategic Long-Term Vision aligned on the important role of liquid fuels and CCS to reduce GHG emissions from transport and industry.

Brussels, 12 December 2018: The ninth edition of the EU Refining Forum, which took place on 7 December, allowed in depth discussions between the Commission, Member States, Experts and Industry on the Commission Strategic Long-Term Vision and the refining industry's Vision 2050, its long term strategy for low-carbon liquid fuels. The participants recognised the important role and share of liquid fuels in the 2050 energy mix for mobility, and of CCS as a key technology for Energy Intensive Industries (EII) to meet the 2050 objectives. Industry called for an EU-wide ambitious industrial policy to enable EU industry to deploy the low-carbon technologies required to reduce its GHG emissions, supported by a robust sustainable finance package and a policy framework that addresses the challenge of embedded carbon in imported products, to attract investments in the EU.

Megan Richards, Director at DG Energy and chair of the meeting, welcomed the Refining Industry's Vision 2050 and its strategy for developing low-carbon liquid fuels, a potential cost-effective option.

Liquid fuels will represent a significant share of the fuels for mobility in 2050

Artur Runger-Metzger, Director DG Climate Action, presented the main conclusions of the Commission Strategic Long-Term Vision for a Prosperous, Modern, Competitive and Climate-Neutral Economy by 2050 – A Clean Planet for All. He underlined that the Commission's conclusion regarding fuels for transport show that it is not a single fuel or energy that will be supplying mobility, but multiple solutions with a significant share of low-carbon liquid fuels.

No successful Strategic Long-Term Vision without a proper industrial strategy

Tomas Wyns, Researcher at VUB and author of a report assessing the potential of decarbonisation for EIIs, reported that EIIs products will be needed in the long-term to enable the energy transition. He highlighted the significant increase in demand for renewable electricity to power these industries. The study also shows there are solutions within industrial clusters, deploying breakthrough technologies, within a very short timeframe to meet the 2050 target. The main challenges outlined in the study remain the financing,

the policy framework and the protection from unfair competition.

CEFIC Director General, Marco Mensink, stated that the Strategic Long-Term Vision would only be successful in reducing GHG emissions if it fully embeds a proper industrial strategy. He therefore asked the Commission to prepare a master plan for industry to shape this ambitious industry transition. He also stressed the need for closer cooperation between industry, Member States and the Commission. Finally, Marco Mensink called for the reallocation of the ETS Innovation Fund to industry and the need for CCS technology investments.

Member States including Belgium, Austria, Poland, Slovakia, Italy and Estonia underlined the importance of this long-term strategy for the energy transition and develop their individual national plans.

CCS is an integral part of the Strategic Long-Term Vision

The role and the value of Carbon Capture and Storage (CCS) was also discussed. Professor Turner, Director of the Centre for Energy Policy at the University of Strathclyde (Scotland) warned against the risk of carbon leakage for Energy Intensive Industries and underlined that studies show that moving production out of Europe generates a net increase of industry emissions. Peter Horvath, Policy Officer at the Commission reaffirmed the Commission's intention to maintain CCS in its long-term strategy to reduce CO₂

emissions and to support the deployment of industrial CCS. Kasper de Vuyst from ExxonMobil underlined the importance of CCS and the likely increase of the mitigation costs to achieve the climate targets without this technology. He stressed that social acceptance, market incentives and policy & government support were prerequisites to the successful deployment of CCS. This was reinforced by Christian Egenhofer, Director at CEPS, who underlined that the technology exists but the policy tools are missing.

The EU cannot move unilaterally on climate and the carbon content of imported products has to be taken into account

John Cooper, Director General FuelsEurope, stressed *“the Commission’s Strategic Long-Term Vision is a very important piece of work, it is ambitious, yet we welcome the realism about the challenges ahead.”* He also welcomed the excellent engagement of the Commission with the Energy Intensive Industries (EIIs) and the Commission acknowledgement of the EIIs’ approach for a transition to a 2050 low-carbon economy by referring to key findings from the EIIs transition study.

John Cooper however warned against the EU moving unilaterally on climate targets and objectives. He added *“targets are not a strategy, the EU needs a technology*

strategy supported by a sustainable finance package, and, the question of embedded carbon has to be included in the policy debate, in the markets design and in international aspects. The EU can show leadership in policy.”

John Cooper finally underlined *“liquid fuels make people happy every day, they can become low-carbon, we know the technologies, they already exist. These fuels will be more expensive than petroleum but they will remain affordable and highly valuable for citizens, consumers and businesses.”* He stressed that these technologies deserve the same recognition and support as the battery strategy.

John Cooper reiterated the industry’s commitment to work with the institutions and Member States to develop solutions for liquid fuels and hydrocarbon products to attract investors for the benefit of customers and citizens, for the planet. He finally thanked the Commission for holding the 9th edition of the refining Forum and welcomed the announcement of the next High Level meeting of the Refining Forum in spring 2019.

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