

Letter

Mr Dan Jørgensen
Commissioner for Energy and Housing
European Commission
200 Rue de la Loi
1040 Brussels

Brussels, 21 February 2025

Dear Commissioner,

Re: Industrial flexibility for demand response

I am writing to you on behalf of 7 million industry and energy workers from all across Europe to commend the work you and your team are doing to address persistently high energy prices in the upcoming Affordable Energy Action Plan. IndustriAll Europe welcomes decisive action to lower high energy prices for European consumers while remaining fully committed to Europe's energy transition and decarbonisation. We fully support these goals as they will support the maintenance and creation of quality jobs in Europe. However, we are concerned about some of the measures that are currently being discussed that we believe are not fully informed.

Representing workers from chemicals, cement, glass and paper to steel manufacturing, we would like to caution you on the merits of industrial flexibility for demand response, as the potentials seem to us unrealistic if your aim is to keep European manufacturing competitive – the very aim of the Clean Industrial Deal. We are well aware of the fact that the energy sector and some energy intensive industrial manufactures that did well on hedging long-term PPAs at competitive prices are promoting this tool as an easy measure to deal with high energy prices in times of peak demand. We need policies that create a business case for decarbonised production and no incentives for some industries that can, to trade secured energy supply in times when energy is scarce and expensive.

We would like to emphasise that the often cited example of demand response measures during the recent price spikes during the heights of the crisis in 2022-2023, does not take into account the impact on thousands of workers across Europe that were on job retention schemes during temporary production halts, or lost their jobs due to restructuring or permanent closures of energy-intensive companies. While we acknowledge the vast potentials of demand response measures in a continued process of sector integration, we want to highlight the challenges of industrial flexibility.

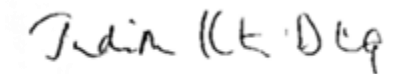
To give you a few examples, a glass tub cannot be stopped as this would create irrevocable damage to the installation. In other sectors, a temporary halt of production, while not impossible, will mean economic loss for companies, with an impact on workers' working time and working conditions. The potential impact is changing and reduced shifts and potential lay offs, while it is unrealistic to call in workers flexibly to run production at night, when energy use and prices are low.

For that reason, we deplore that we were not invited to the recent stakeholder meeting with you in which flexibility measures have been discussed. Nor were any of our social partners from the energy intensive industry with whom we are negotiating job-to-job transitions in decarbonised sectors.

As European Federation of Trade Unions representing both the workers producing energy and the ones working in high-energy consuming industries, we call on you to pay due attention to these challenges and to propose robust policy tools that create fairness and support good industrial jobs in decarbonised manufacturing across supply chains.

We remain at your disposal and would be grateful for a meeting with you in the near future.

Yours sincerely,



Judith Kirton-Darling
General Secretary