

Electricity Market Design: consumer and producer perspectives



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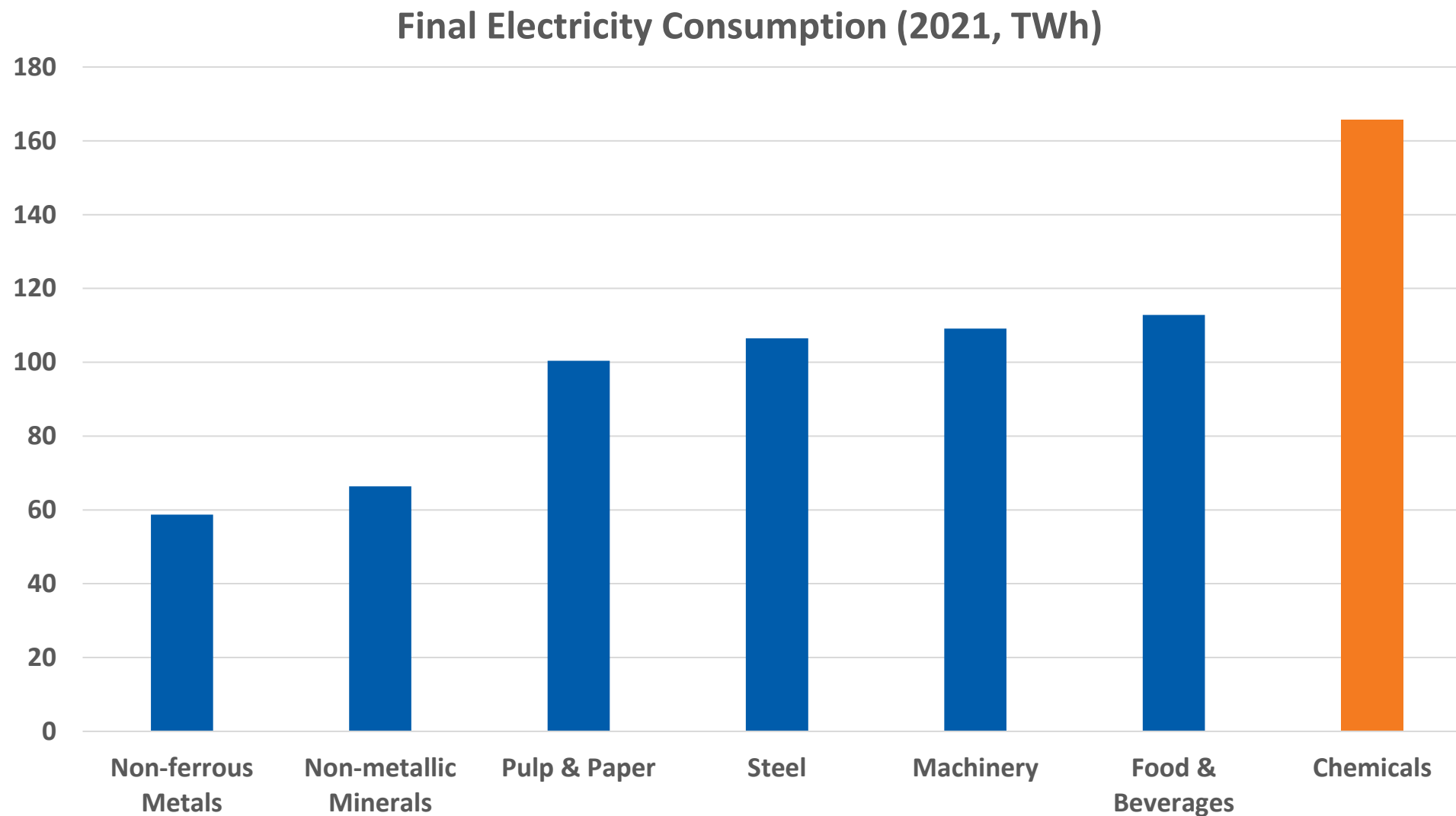
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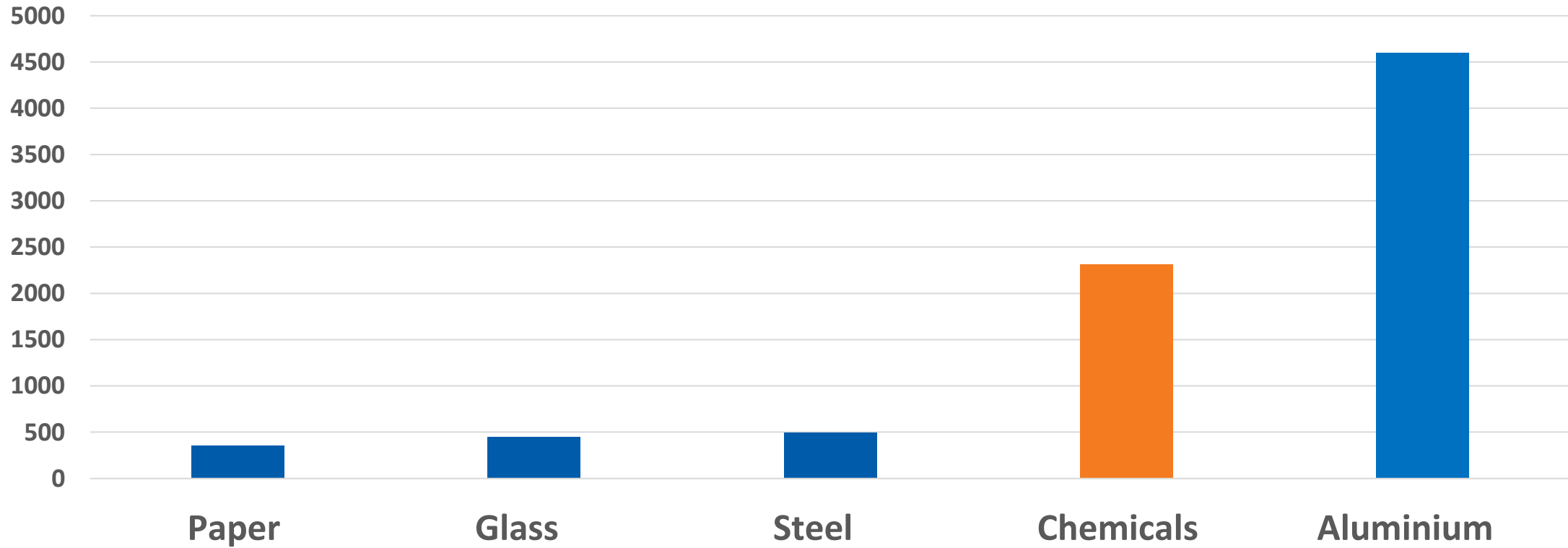


Chemicals are the largest EU industrial electricity consumer



Power Purchasing Agreements (PPAs) are key for chemicals

Cumulative PPAs signed
(MW data 2022)



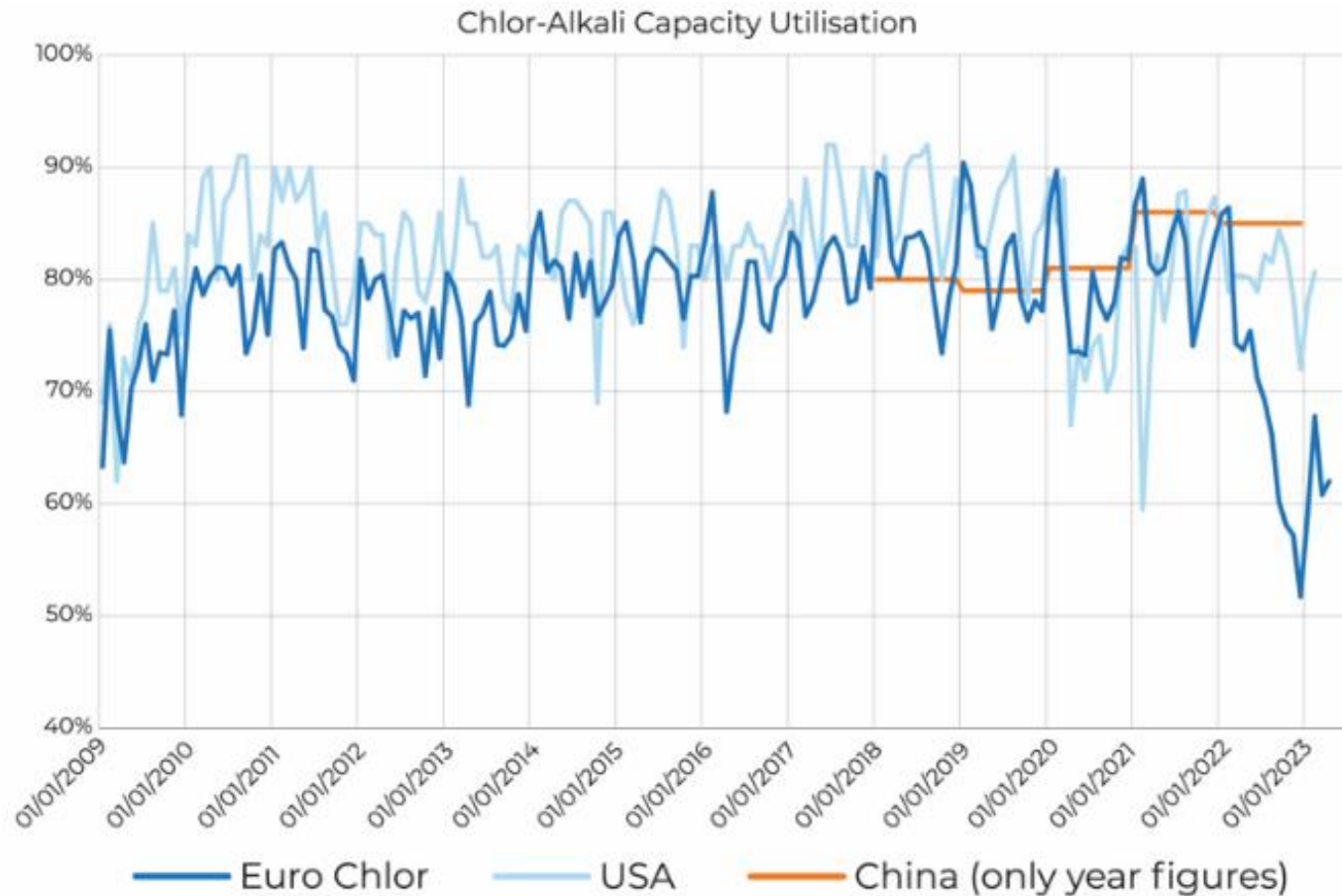
PPAs from an industrial off-taker perspective

- **Why are PPAs important to energy-intensive consumers?**
 - They reduce price risks
 - They reduce volume risk
- **What obstacles do we see in moving forward?**
 - The profile of available PPAs often does not meet the consumption profiles of industrial off-takers
 - The contract length of PPAs can present a challenge, particularly for SMEs.
- **How can the PPAs framework be improved ?**
 - Facilitate access to aggregation services that offer a portfolio approach and help shape the PPA profile to the needs of different consumers.
 - Implement a consistent Guarantees of Origin framework to facilitate the off-take of PPAs.



High electricity prices are still a major competitive issue

Experience from Chlor-alkali, an electro-intensive Cefic sector group



Note: Electricity costs for chlor-alkali in the EU are almost 6 times as high as in the US !!!



The EMD review needs to be part of a broader EU industrial policy!

Thank you.

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About Cefic

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.1 million jobs and account for 15% of world chemicals production. Cefic members form one of the most active networks of the business community, complemented by partnerships with industry associations representing various sectors in the value chain. A full list of our members is available on the Cefic website. Cefic is an active member of the International Council of Chemical Associations (ICCA), which represents chemical manufacturers and producers all over the world and seeks to strengthen existing cooperation with global organisations such as UNEP and the OECD to improve chemicals management worldwide

