

## Press release

# New study shows paper industry could increase on-site renewable electricity and heat generation by 2030

Brussels, 29 November 2022

*A new study commissioned by Cepi to AFRY, a Scandinavian firm supplying engineering and advisory services, shows the untapped further potential for paper mills to function as renewable energy hubs. The pulp and paper industry could increase its on-site renewable electricity and heat production and, through a 'swing capacity effect', sell any excess energy production to the grid, nearby neighbourhoods and other industries.*

The European pulp and paper industry is already the largest industrial prosumer of clean energies, with over 60% renewables in its primary energy consumption. Proportionally to its size, it is **a major industrial investor into the decarbonisation** of its processes, notably via on-site renewable energy generation. It is one of the success stories of the European emission trading scheme (EU ETS), which provides incentives for such investments.

The authors of the study conclude that by 2030 the pulp and paper industry has the potential to increase its renewable on-site electricity and heat production to generate almost 31 TWh. This corresponds to 30% of electricity and almost 6% of heat generated on-site in 2020. But mobilising necessary investments would require predictable EU regulation and expeditious permitting procedures to be put into place.

The study also offers an estimate of the space available in different types of paper mills to install solar panels or wind turbines, in addition to other solutions identified by the authors. The energy production capacities outlined in the new report cannot however be implemented rapidly enough to be a solution to the current energy crisis. But widely shared analysis shows that energy costs in Europe are likely to stay high at least for the foreseeable future, and **investments in fossil free energy will eventually offer the industry a chance to adapt to a radically changed energy landscape.**

The study also explored the possibility for the paper industry to reduce its own consumption and increase the share of renewable energy it provides to the grid, nearby neighbourhoods and possibly other industries. The authors estimate that this 'swing capacity' could regularly reach 10% to 20% for an average paper mill.

From a wider perspective, the same effect of optimising between material production and energy generation could also apply to the biomass residues resulting from production. The development of new product applications is already well-advanced. As renewable energy becomes increasingly available and its cost declines in the future, **the production of secondary bio-based products and materials is expected to further drive the industry's transformation.** New opportunities will present themselves as the industry becomes increasingly energy-efficient and affordable fossil-free energy becomes more available.

Download the [executive summary for Cepi's Energy Hubs report](#).

### Quotes

*"This new study offers an indication of where some of our industry's next investments could be made. The energy transition in which we are already well engaged is also an occasion for us and for policymakers to rethink what a paper mill is and could be: a renewable energy hub and a biorefinery where substitutes for fossil-intensive materials and products are created."*

*"The EU could be a global champion and promoter of a new bio-based and circular economy, something for which it is already well-positioned. We have an opportunity for significant, systemic change."*

Jori Ringman, Director General – Cepi (Confederation of the European Paper Industries)

### **Notes to editor:**

For press inquiries to Cepi, please contact Piotr Pogorzelski, Media Relations Manager, at

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For more information on Industry commitments, please consult

[Cepi's Sustainable Product Pledge](#),

[Cepi's Pledge to support the 3 billion trees initiative](#).

[The 4evergreen cross-industry alliance](#).

For our latest industry statistics, please refer to

[Cepi Key Statistics 2021](#)

### **About Cepi:**

*Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy.*

*We are a responsible industry: 85% of our raw materials are sourced in Europe and certified as sustainable, 92% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 71.4%. At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 21 billion value addition to the European economy and €4.5 billion investments annually. Through its 18 national associations, Cepi gathers 490 companies operating 885 mills across Europe and directly employing more than 179,000 people.*

*More information about our sustainability performance [here](#).*