

Innovation in Low-Carbon Industrial Processes: Integrating Advanced Materials, Electrification and Intelligent Control

Michael A. Cusumano

Professor MIT Sloan School of Management

Abstract

Industrial sectors remain among the largest contributors to global greenhouse-gas emissions because of their dependence on fossil fuels, high-temperature processes, carbon-intensive feedstocks, and energy-intensive production systems. Achieving deep industrial decarbonisation therefore requires more than incremental efficiency improvements. It demands the integration of advanced materials, industrial electrification, artificial intelligence, automation, and intelligent process control into a new generation of low-carbon manufacturing systems. This paper examines emerging innovation pathways for reducing emissions across energy-intensive industries, with particular attention to steel, cement, chemicals, glass, ceramics, refining, and advanced manufacturing. It analyses the contribution of high-performance materials, low-carbon process chemistry, electric heating, renewable electricity, heat recovery, hydrogen, energy storage, digital twins, machine learning, predictive maintenance, and real-time optimisation. An Integrated Low-Carbon Industrial Innovation Framework is proposed, connecting material innovation, electrification, intelligent control, energy management, and carbon-management strategies. The paper argues that industrial decarbonisation should be approached as a systems-level transformation rather than as a collection of isolated technologies. Electrification can eliminate combustion-related emissions where suitable, while advanced materials can enable higher process efficiency, durability, thermal performance, and substitution of carbon-intensive materials. Intelligent control can coordinate variable renewable electricity, industrial loads, storage, production schedules, and process conditions. The paper also considers barriers including electricity availability, grid infrastructure, technology costs, retrofit complexity, process reliability, data interoperability, cybersecurity, workforce skills, and technological lock-in. The study concludes that the convergence of advanced materials, electrification, and intelligent control provides a powerful foundation for developing competitive, flexible, and low-carbon industrial systems.

Keywords: Industrial Decarbonisation, Low-Carbon Manufacturing, Advanced Materials, Electrification, Intelligent Control, Artificial Intelligence, Industrial Energy Efficiency, Digital Twins, Renewable Energy, Process Optimisation, Industrial Innovation.

1. Introduction

Industrial production is fundamental to modern economies, supporting infrastructure, transportation, construction, food production, healthcare, and consumer goods.

However, many industrial processes remain highly carbon-intensive.

Major sources of industrial emissions include:

- Fossil-fuel combustion.
- Process emissions.
- Electricity consumption.
- Carbon-intensive feedstocks.
- Industrial heat generation.
- Material production.
- Waste and inefficient resource utilisation.

Industries such as steel, cement, chemicals, glass, ceramics, and refining face particularly difficult decarbonisation challenges.

Traditional industrial systems were designed primarily around:

Reliability + Productivity + Cost Efficiency

Future low-carbon systems must additionally optimise:

Reliability + Productivity + Cost + Carbon + Flexibility

This requires a fundamental redesign of industrial processes.

2. Industrial Decarbonisation

Industrial decarbonisation involves reducing greenhouse-gas emissions while maintaining productive and economically viable manufacturing.

A simplified pathway is:

Energy Efficiency → Electrification → Renewable Energy → Process Innovation → Low-Carbon Materials → Intelligent Optimisation → Carbon Management

No single technology can address every industrial application.

3. The Need for Integrated Innovation

Three technological domains are particularly important:

Advanced Materials

Improve thermal, mechanical and chemical performance.

Electrification

Replace fossil-fuel-based energy with electricity where technically feasible.

Intelligent Control

Optimise complex industrial processes using real-time data and AI.

Their convergence creates opportunities that may not exist when each technology is deployed independently.

4. Advanced Materials for Low-Carbon Industry

Advanced materials can contribute to industrial decarbonisation by improving:

- Energy efficiency.
- Equipment durability.
- Thermal performance.
- Corrosion resistance.
- Catalyst efficiency.
- Material strength.
- Lightweighting.

Potential materials include:

- Advanced ceramics.
- High-performance alloys.
- Composites.
- Nanostructured materials.
- Solid-state materials.
- Advanced catalysts.

5. High-Temperature Materials

Many industrial processes operate at extremely high temperatures.

Furnace efficiency can be improved through materials that withstand:

- High temperatures.
- Thermal cycling.
- Chemical corrosion.
- Mechanical stress.

Improved refractory materials can therefore reduce heat loss and maintenance requirements.

6. Advanced Thermal Materials

Thermal insulation materials can reduce energy losses from:

- Furnaces.
- Kilns.
- Reactors.
- Pipelines.

- Storage systems.

Higher-performance insulation can allow industrial facilities to maintain process temperatures with lower energy consumption.

7. Advanced Catalysts

Catalysts can lower the energy requirements of chemical reactions.

Advanced catalyst development can contribute to:

- Lower reaction temperatures.
- Higher conversion efficiency.
- Greater selectivity.
- Reduced waste.

Catalysts are therefore important in low-carbon chemical manufacturing.

8. Lightweight Materials

Lightweight materials can reduce energy requirements in:

- Transportation.
- Industrial equipment.
- Construction.
- Machinery.

Reducing material mass can lower both manufacturing and operational energy requirements in selected applications.

9. Materials for Electrification

Electrification creates new material requirements.

Important areas include:

- Electrical conductors.
- High-temperature electrodes.
- Power electronics.
- Battery materials.
- Thermal management materials.
- Magnetic materials.

The growth of industrial electrification therefore creates a parallel need for advanced materials innovation.

10. Industrial Electrification

Electrification involves replacing fossil-fuel-based industrial energy with electricity.

Potential applications include:

- Electric furnaces.
- Induction heating.
- Resistance heating.

- Electric boilers.
- Heat pumps.
- Plasma processes.
- Electrified chemical processes.

11. Renewable Electricity

Electrification delivers the greatest emissions benefit when electricity is generated from low-carbon sources.

The long-term model can therefore be expressed as:

Renewable Electricity → Industrial Electrification → Lower Fossil-Fuel Consumption

12. Electric Industrial Heating

Industrial heat accounts for a major portion of industrial energy consumption.

Electrification technologies include:

- Resistance heating.
- Induction heating.
- Infrared heating.
- Microwave heating.
- Electric arc heating.
- Heat pumps.

Different technologies are suitable for different temperature ranges.

13. Induction Heating

Induction heating generates heat directly within electrically conductive materials.

Potential benefits include:

- Rapid heating.
- Precise temperature control.
- Reduced heat losses.
- Process flexibility.

This can be particularly attractive in metal processing.

14. Electric Arc Furnaces

Electric arc furnaces can produce high temperatures using electricity.

They are particularly important for steel production.

Their emissions profile depends strongly on:

- Electricity source.
- Scrap availability.
- Process configuration.

15. Industrial Heat Pumps

Industrial heat pumps can recover low- and medium-temperature heat and upgrade it for reuse.

A simplified pathway is:

Waste Heat → Heat Pump → Useful Industrial Heat

This can reduce the requirement for fossil-fuel-based heat generation.

16. Waste-Heat Recovery

Large industrial facilities often reject substantial amounts of heat.

Recovery technologies can capture energy from:

- Exhaust gases.
- Cooling systems.
- Furnaces.
- Steam systems.
- Process streams.

17. Thermal Energy Storage

Electrified industrial processes can be combined with thermal storage.

This enables:

Electricity Generation → Conversion → Thermal Storage → Industrial Heat

Thermal storage can help align industrial energy consumption with renewable-electricity availability.

18. Flexible Industrial Loads

Some industrial operations can modify their energy consumption according to electricity availability.

AI can determine:

- When to operate.
- When to reduce production.
- When to charge storage.
- When to increase electrical consumption.

This creates a more flexible industrial energy system.

19. Intelligent Industrial Control

Traditional process-control systems generally operate according to predefined rules.

Intelligent control can incorporate:

- Machine learning.
- Predictive analytics.

- Optimisation algorithms.
- Digital twins.
- Real-time sensor data.

The objective is to optimise multiple variables simultaneously.

20. AI-Based Process Optimisation

AI can analyse:

- Temperature.
- Pressure.
- Flow rates.
- Energy consumption.
- Material properties.
- Equipment condition.

It can identify operating conditions associated with lower energy consumption and emissions.

21. Digital Twins

A digital twin provides a digital representation of an industrial process or facility.

It can integrate:

- Equipment data.
- Process conditions.
- Energy consumption.
- Production information.
- Environmental performance.

22. Digital Twin for Industrial Decarbonisation

A digital twin can simulate different scenarios.

For example:

Current Process

Versus

Electrified Process

Versus

Electrified + Renewable Energy + Storage

The potential impacts on energy consumption, productivity and emissions can then be evaluated.

23. Predictive Maintenance

Equipment degradation can increase:

- Energy consumption.
- Downtime.
- Product defects.
- Material waste.

AI-based predictive maintenance can identify early signs of equipment failure.

24. Energy Management Systems

An intelligent industrial energy-management system can coordinate:

- Renewable electricity.
- Grid electricity.
- On-site generation.
- Battery storage.
- Thermal storage.
- Industrial loads.

25. Carbon-Aware Production Scheduling

Production schedules can be optimised according to:

- Electricity prices.
- Carbon intensity.
- Renewable availability.
- Production requirements.

This creates a new concept:

Carbon-Aware Manufacturing Scheduling

26. Smart Manufacturing

Industry 4.0 technologies can support low-carbon manufacturing through:

- Industrial IoT.
- Cloud computing.
- Edge computing.
- AI.
- Robotics.
- Digital twins.

The objective is to connect physical production systems with digital intelligence.

27. Edge Intelligence

Industrial decisions sometimes require extremely low latency.

Edge computing allows data to be processed near the equipment.

Benefits include:

- Faster response.
- Reduced network dependency.

- Improved operational resilience.
- Potentially lower data-transfer requirements.

28. Low-Carbon Steel

Steel production presents a major decarbonisation challenge.

Important pathways include:

- Electric arc furnaces.
- Increased scrap utilisation.
- Hydrogen-based direct reduction.
- Renewable electricity.
- Process optimisation.

29. Hydrogen in Steelmaking

Hydrogen can potentially replace carbon-intensive reducing agents in selected steelmaking pathways.

A simplified concept is:

Hydrogen + Iron Oxide → Iron + Water

This can substantially alter the emissions profile of primary steel production when low-carbon hydrogen is used.

30. Low-Carbon Cement

Cement production produces emissions from both:

- Fuel combustion.
- Limestone calcination.

Decarbonisation approaches include:

- Alternative fuels.
- Lower-clinker cement.
- Electrified processes.
- Alternative binders.
- Carbon capture.
- Process optimisation.

31. Low-Carbon Chemicals

Chemical manufacturing requires substantial energy and feedstocks.

Potential pathways include:

- Renewable electricity.
- Green hydrogen.
- Electrified reactors.
- Bio-based feedstocks.

- Carbon recycling.
- Advanced catalysts.

32. Electrified Chemical Processes

Electrochemical processes can potentially replace selected thermochemical processes.

Electricity can directly drive:

- Chemical reactions.
- Hydrogen production.
- Electrolysis.
- Material synthesis.

This creates opportunities for low-carbon chemical manufacturing.

33. Low-Carbon Glass and Ceramics

Glass and ceramics require high-temperature processing.

Potential solutions include:

- Electric furnaces.
- Improved insulation.
- Advanced refractories.
- Heat recovery.
- Renewable electricity.
- Process optimisation.

34. Green Hydrogen

Green hydrogen is produced using renewable electricity.

It can serve as:

- Industrial feedstock.
- Reducing agent.
- Fuel.
- Energy-storage medium.

However, hydrogen infrastructure and production costs remain important challenges.

35. Electrification versus Hydrogen

Not every industrial process should be electrified in the same way.

A practical decision framework is:

Industrial Requirement	Potential Technology
Low-temperature heat	Heat pumps
Medium-temperature heat	Electric heating
Very high-temperature processes	Electric furnaces / hydrogen

Industrial Requirement	Potential Technology
Chemical feedstock	Green hydrogen / alternative feedstocks
Flexible energy demand	Electrification + storage
Difficult process emissions	Process redesign / carbon management

36. Advanced Materials and Process Efficiency

Materials innovation can reduce emissions indirectly.

For example:

Better Material → Higher Durability → Less Maintenance → Longer Equipment Life → Lower Resource Consumption

Thus, materials innovation should be considered part of industrial decarbonisation rather than only a product-development activity.

37. AI-Enabled Material Discovery

AI can accelerate the discovery of materials with desired properties.

Models can evaluate:

- Composition.
- Structure.
- Thermal performance.
- Mechanical properties.
- Chemical stability.

This can reduce the time required to screen candidate materials.

38. Autonomous Materials Research

The convergence of:

AI + Robotics + Automated Laboratories

can create accelerated materials-discovery workflows.

A potential loop is:

Design → Synthesis → Testing → Data Collection → AI Learning → New Design

39. Industrial Carbon Management

Even highly electrified industrial systems may continue to produce process emissions.

Carbon-management strategies may therefore include:

- Carbon capture.
- Carbon utilisation.
- Carbon storage.
- Carbon recycling.

- Process substitution.

40. Carbon-Aware Digital Control

AI can optimise production according to multiple objectives:

Cost + Energy + Productivity + Quality + Carbon

This represents a transition from traditional process optimisation toward multi-objective decarbonisation control.

41. Integrated Low-Carbon Industrial Framework

The proposed framework contains six interconnected layers.

Layer 1 — Advanced Materials

Efficient, durable and low-carbon materials.

Layer 2 — Electrification

Electric heating, electrochemical processes and heat pumps.

Layer 3 — Renewable Energy

Low-carbon electricity and green hydrogen.

Layer 4 — Energy Storage

Battery and thermal storage.

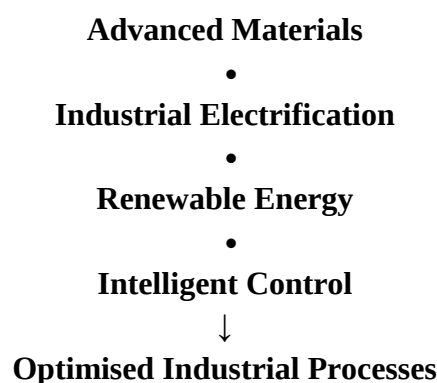
Layer 5 — Intelligent Control

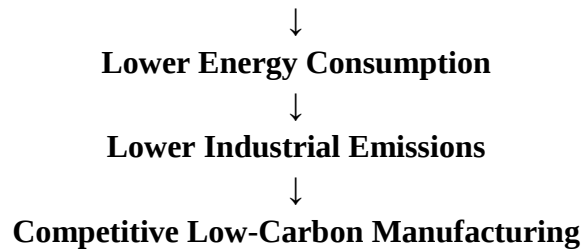
AI, IoT and digital twins.

Layer 6 — Carbon Management

Process emissions reduction, capture and utilisation.

42. Conceptual Model





43. Industrial Decarbonisation Maturity Model

Level	Industrial Capability
Level 1	Conventional fossil-fuel processes
Level 2	Energy-efficiency improvements
Level 3	Process electrification
Level 4	Digital and AI-enabled optimisation
Level 5	Integrated adaptive low-carbon manufacturing

44. Key Performance Indicators

KPI	Measurement
Energy intensity	Energy per unit of production
Carbon intensity	CO ₂ e per unit of production
Electrification rate	Share of industrial energy electrified
Renewable electricity share	Low-carbon electricity contribution
Process efficiency	Useful output/input
Waste-heat recovery	Recovered energy
Equipment utilisation	Productive operating time
Material efficiency	Material required per product
Predictive accuracy	AI performance
Downtime	Production interruption

45. Economic Benefits

Low-carbon industrial innovation can potentially produce:

- Lower energy costs.
- Reduced fuel-price exposure.

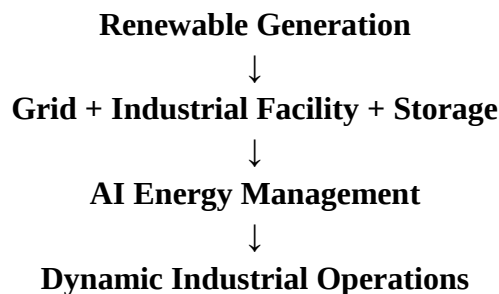
- Improved equipment reliability.
- Lower maintenance costs.
- Greater process efficiency.
- New markets for low-carbon products.

Decarbonisation can therefore become an industrial competitiveness strategy rather than solely an environmental obligation.

46. Energy-System Integration

Future industrial facilities may operate as flexible participants in energy systems.

For example:



This can help integrate variable renewable electricity.

47. Industrial Microgrids

Industrial microgrids can combine:

- Solar.
- Wind.
- Batteries.
- Thermal storage.
- Grid electricity.
- Flexible industrial loads.

Intelligent controllers can optimise the system.

48. Industrial Symbiosis

One facility's waste can become another facility's resource.

Examples include:

- Waste heat.
- Industrial gases.
- By-products.
- Recycled materials.

Digital platforms can identify and coordinate these opportunities.

49. Circular Industrial Systems

Low-carbon manufacturing should increasingly combine:

Decarbonisation + Resource Efficiency + Circularity

Digital tracking can improve material recovery and recycling.

50. Digital Product Passports

Digital product information can potentially support:

- Material traceability.
- Recycling.
- Product lifecycle management.
- Circular manufacturing.

This can increase visibility across industrial value chains.

51. Supply-Chain Decarbonisation

Industrial emissions extend beyond individual factories.

Companies increasingly need to consider:

- Raw-material production.
- Transportation.
- Manufacturing.
- Product use.
- End-of-life.

Digital supply-chain platforms can support emissions monitoring.

52. Challenges

Major barriers include:

1. High upfront investment.
2. Electricity infrastructure limitations.
3. Renewable-energy variability.
4. Technology maturity.
5. Retrofit complexity.
6. Industrial downtime risks.
7. Data interoperability.
8. Cybersecurity.
9. Workforce skills.
10. Supply-chain constraints.

53. Infrastructure Requirements

Industrial electrification requires adequate:

- Grid capacity.

- Transmission infrastructure.
- Distribution systems.
- Renewable generation.
- Energy storage.

Without infrastructure investment, industrial electrification may be constrained.

54. Workforce Transformation

Future industrial facilities will require workers with skills in:

- Automation.
- Data analytics.
- AI.
- Electrical engineering.
- Materials science.
- Energy management.

Reskilling will therefore become an important part of industrial transformation.

55. Cybersecurity

Greater connectivity creates additional cyber risks.

Industrial AI systems should protect:

- Operational technology.
- Industrial control systems.
- Production data.
- Energy-management systems.

Cybersecurity should be incorporated into system architecture rather than added after deployment.

56. Technology Lock-In

Existing industrial infrastructure can have lifetimes of several decades.

New investments must therefore avoid creating additional long-term dependence on high-carbon technologies.

Investment decisions should consider:

Current Cost + Lifecycle Cost + Carbon Risk + Future Flexibility

57. Policy Implications

Governments can accelerate industrial decarbonisation through:

- Clean-energy infrastructure.
- Industrial electrification incentives.
- Research funding.
- Carbon pricing.
- Green public procurement.

- Low-carbon product standards.
- Workforce development.
- Demonstration projects.

58. Research Opportunities

Future research should focus on:

1. AI-based industrial process optimisation.
2. Electrified high-temperature manufacturing.
3. Advanced refractory materials.
4. AI-driven materials discovery.
5. Industrial thermal storage.
6. Digital twins for decarbonisation.
7. Flexible industrial electricity demand.
8. Low-carbon steelmaking.
9. Low-carbon cement chemistry.
10. Electrified chemical manufacturing.
11. Industrial carbon-management systems.
12. Autonomous low-carbon factories.

59. Implementation Roadmap

Phase 1 — Measure

Establish detailed energy and emissions baselines.

Phase 2 — Optimise

Implement energy-efficiency and waste-heat-recovery measures.

Phase 3 — Electrify

Replace suitable fossil-fuel processes with electric alternatives.

Phase 4 — Integrate

Connect renewable electricity, storage and flexible demand.

Phase 5 — Digitise

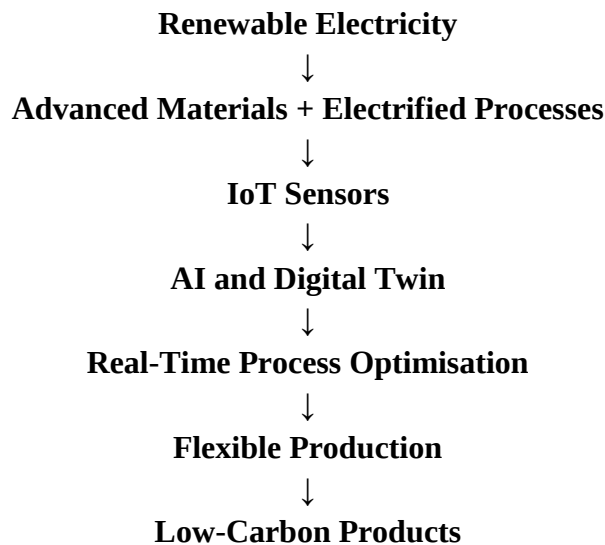
Deploy IoT, AI and digital twins.

Phase 6 — Adapt

Create continuously optimised and carbon-aware production systems.

60. Future Industrial Model

The factory of the future can be conceptualised as:



This represents a transition from conventional factories toward intelligent low-carbon industrial ecosystems.

61. Discussion

Industrial decarbonisation is often presented as a choice between individual technologies.

However, the largest opportunity may come from their integration.

For example, electrification alone can reduce fossil-fuel use, but intelligent control can determine when and how electricity is consumed.

Similarly, advanced materials can improve efficiency, but AI-driven materials discovery can accelerate the development of new materials specifically designed for electrified processes.

Digital twins can connect these technologies by allowing industrial operators to test alternative configurations before implementing expensive physical changes.

The strategic opportunity therefore lies in creating an integrated system where:

Materials + Energy + Data + AI + Process Engineering

operate as a unified industrial architecture.

62. Strategic Recommendations

Industrial organisations should:

1. Establish facility-level carbon and energy baselines.
2. Identify processes suitable for electrification.
3. Invest in advanced thermal and structural materials.
4. Deploy intelligent energy-management systems.
5. Integrate renewable electricity with industrial loads.
6. Use thermal and electrical storage where appropriate.

7. Develop digital twins for complex processes.
8. Introduce predictive maintenance.
9. Develop carbon-aware production scheduling.
10. Train employees in digital and low-carbon technologies.
11. Strengthen industrial cybersecurity.
12. Evaluate technologies using full lifecycle emissions.

63. Conclusion

The transition toward low-carbon industry requires a fundamental transformation of industrial energy, materials, and control systems.

Advanced materials can improve thermal efficiency, durability, catalysts, equipment performance and resource efficiency.

Electrification can replace fossil-fuel combustion in many industrial applications, particularly when supported by low-carbon electricity.

Intelligent control can coordinate production, energy, storage, renewable generation and process conditions in real time.

The most important opportunity lies in their convergence.

The emerging industrial architecture can therefore be represented as:

Advanced Materials + Electrification + Renewable Energy + Intelligent Control = Low-Carbon Industrial Innovation

Future factories will increasingly operate as digitally connected, energy-flexible and adaptive systems rather than isolated production facilities.

Achieving this transformation will require substantial investment in infrastructure, research, workforce capabilities, cybersecurity and industrial policy. Nevertheless, the integration of advanced materials, electrification and intelligent control offers a pathway toward industrial systems that are not only lower in carbon emissions but also more efficient, flexible, resilient and technologically competitive.

References

1. International Energy Agency. (2023). Energy Technology Perspectives 2023. IEA.
2. International Energy Agency. (2024). Energy Technology Perspectives 2024. IEA.
3. International Energy Agency. (2023). Net Zero Roadmap: A Global Pathway to Keep the 1.5 °C Goal in Reach. IEA.
4. International Energy Agency. (2023). Iron and Steel Technology Roadmap. IEA.
5. International Energy Agency. (2022). The Future of Heat Pumps. IEA.
6. International Energy Agency. (2023). Global Hydrogen Review 2023. IEA.
7. International Renewable Energy Agency. (2023). World Energy Transitions Outlook 2023. IRENA.
8. International Renewable Energy Agency. (2024). World Energy Transitions Outlook 2024. IRENA.

9. Intergovernmental Panel on Climate Change. (2022). Climate Change 2022: Mitigation of Climate Change. Cambridge University Press.
10. International Energy Agency. (2021). Transforming Industry through CCUS. IEA.
11. Allwood, J. M., Cullen, J. M., & Milford, R. L. (2010). Options for achieving a 50% cut in industrial carbon emissions by 2050. *Environmental Science & Technology*, 44(6), 1888–1894.
12. Allwood, J. M., Cullen, J. M., & Carruth, M. A. (2012). Sustainable Materials: With Both Eyes Open. UIT Cambridge.
13. Geels, F. W., Sovacool, B. K., Schwanen, T., & Sorrell, S. (2017). The socio-technical dynamics of low-carbon transitions. *Joule*, 1(3), 463–479.
14. Leeson, D., Mac Dowell, N., Shah, N., Petit, C., & Fennell, P. S. (2017). A techno-economic analysis and systematic review of carbon capture and storage in the cement industry. *Chemical Engineering Research and Design*, 125, 335–349.
15. Bataille, C., Åhman, M., Neuhoff, K., et al. (2018). A review of technology and policy deep decarbonization pathway options for making energy-intensive industry production consistent with the Paris Agreement. *Journal of Cleaner Production*, 187, 960–973.