

Press release – Brussels, 30 January 2017

## **The cost of choosing: Future electricity costs calculated for Belgium for the first time**

To what extent policy options for the coming years will be affordable? Which scenarios are imaginable and feasible? No one can answer these important questions today. Reason enough for Febeliec to invite EnergyVille to write a report on this based on verified figures. The objective is to get an as good and objective as possible image of the evolution of the costs of the energy mix between now and 2030. *“It has never been studied in that much detail how the different energy and climate policy objectives can be met at the lowest possible cost and by maintaining security of supply.”* says Peter Claes, director at Febeliec.

Today, Febeliec and EnergyVille presented the report **“Energy transition in Belgium – Costs & choices.**

### **Scenarios**

First of all, EnergyVille calculated a scenario based on current policy. Several other policy options were then analysed, together with their impact on total costs. Thus, scenarios were simulated with a life time extension of nuclear plants, high or low imports from abroad, high or low fuel prices, each time of course taking into account European requirements.

### **In all scenarios electricity becomes very expensive!**

The report calculates how much it will cost Belgium in the best case to procure itself in 2030 with sufficient electricity. *“The report is clear: continuing current policy, will double the cost of electricity generation”*, says Peter Claes:

- In all scenarios, three times more electricity will be generated out of renewable sources than today (from 11 to 36 TWh).
- Generation by gas-powered plants will also increase significantly (24 to 35 TWh).
- Variations in gas prices can have huge consequences.
- Belgium will also become more dependent from imports (up to 15,6 TWh, and even substantially more in some scenarios).

*“As Febeliec we explicitly want to warn against the possible consequences of the high costs in all scenarios”*, Peter Claes continues. *“We insist on the need of a clear choice in favour of better market functioning and coherent policy which aims at generating competitive and reliable electricity. We dispose of a well dimensioned high voltage grid, but security of supply needs to be more aligned at European level and market integration with clear responsibilities must be stimulated in order to guarantee the availability of sufficient generation capacity throughout Western Europe, to be able to cope with peak load.”*, says Febeliec.

Central electricity storage and extra offshore wind parks in the North Sea are too expensive until 2030, and were not or only hardly withheld by the model.

By far the cheapest scenario consists in extending the life time of 2 nuclear plants until 2035. This would substantially reduce the cost compared to other scenarios. *“From a purely economic point of view, this is the best choice. Febeliec re-iterates in any case the absolute necessity of the introduction of an energy norm, which has to make sure electricity does not cost more in Belgium than in neighbouring countries.”* Peter Claes concludes.

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*Febeliec vertegenwoordigt de industriële energieverbruikers in België. Zij ijvert voor competitieve prijzen voor elektriciteit en aardgas voor industriële activiteiten in België, en voor een verbeterde bevoorradingszekerheid in energie. Febeliec telt als leden 7 sectorfederaties (chemie en life sciences, glas, papierdeeg & papier, extractieve nijverheid, textiel en houtverwerking, baksteen, bouwmaterialen) en 27 bedrijven (Air Liquide, Air Products, Aperam, ArcelorMittal, Aurubis Belgium, BASF Antwerpen, Bekaert, Borealis, Covestro, Dow Belgium, Evonik Antwerpen, Glaxosmithkline, Ineos, Infrabel, Inovyn Belgium, Lanxess, NLMK Belgium, Nyrstar Belgium, Praxair, Sol, Tessenderlo Chemie, Thy-Marcinelle, Total Petrochemicals & Refining, Umicore, Unilin, Vynova en Yara). Samen vertegenwoordigen zij ruim 80% van het industriële verbruik van elektriciteit en aardgas in België en zo'n 230.000 industriële jobs.*