

Federal surcharges on electricity explode

Brussels, December 15, 2009. CREG, the regulator for the electricity and gas markets in Belgium, published today the new tariffs for 2010 for the federal levy on electricity and natural gas. For electricity, an increase by not less than 55% is announced, from 2,6 to 4,1€/MWh. For natural gas, a small decrease is expected.

Since many years, Febeliec has been warning against the potential danger of high increases of the federal levy. Since its introduction in 2003, the federal levy on electricity has quadrupled (from 1 to over 4€/MWh), mainly because of the strong increase of the costs of some of the measures it is supposed to finance.

In general, Febeliec asks for a reevaluation of the mechanism to finance certain expenditures out of a levy on electricity consumption. It proposes that certain social or environmental measures be financed out of the general state budget.

More particularly, this increase causes a strong rise of electricity costs for many small and medium sized enterprises, in a period when they are already strongly hit by the global economic crisis. Febeliec therefore appeals to the government to take measures to limit the impact of this increase for all industrial companies. For larger companies, there is a degressive rate and the ceiling for this levy, but budgetary constraints might cause this ceiling in 2010 to go up again to its 2008 level (250.000€).

Furthermore, Febeliec already now wants to warn against a probable strong increase of the federal levy which must finance the offshore wind energy certificates. Currently, this levy stands at 0,1272€/MWh, for 2010 a small increase is expected, but from 2011 onwards and in function of the number of additional windmills to become operational, this levy could rise to over 1€/MWh. Febeliec therefore asks for measures that limit the impact of this levy for industrial companies. It already suggested to use part of a possible tax on nuclear rent to finance offshore wind energy.

Finally, certain measures in Belgium's Regions also lead to significant surcharges on electricity consumption (certificates systems, free consumption, tax on use of public domain, ...). Febeliec insists that as soon as possible, all these federal and regional surcharges be inventoried, and their impact be limited to a similar level as in our neighboring countries.

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