

Press release

Energy surcharges : further increases in the air ?

Brussels, November 13, 2012. By the end of the year, the Belgian regulator CREG will calculate and publish the federal surcharges on electricity and natural gas for the year 2013. Febeliec expects further increases and calls upon the federal government to take urgent measures in order to safeguard industry competitiveness.

As regards electricity, Febeliec is particularly concerned about the expected evolution of the levies destined to finance the offshore. The cost passed through by Elia for the obligation of buying in certificates already amounts to 1,08 €/MWh this year, and will probably exceed the 2 €/MWh in 2013. If policy remains unchanged, this cost will amount to no less than 7 €/MWh by 2020. Added to this cost, there is the cost of the cables for connecting windmills in the North Sea to the Elia grid. For industrial electricity consumers, this evolution threatens to lead to an insurmountable competitive handicap compared to our neighbouring countries, where the surcharges are capped, e.g. to 0,5 €/MWh for energy intensive activities in Germany or to some 500.000 € in France. Febeliec therefore calls upon the federal government to urgently introduce a degressive tariff and a cap for industrial consumers, preferably by integrating the surcharge into the federal levy.

The cost for green electricity too will continue to increase in the regions in the upcoming years. In Flanders, the exemptions for green electricity and certificates of cogeneration have been substantially reinforced for industrial consumers as from 2013, but the planned increase of quota will lead to a new cost rise in the upcoming years to reach 2 €/MWh and even more for the largest consumers. In Wallonia too the cost of certificate will keep increasing substantially, and the passing through of certificates bought-in by Elia will moreover lead to an unsustainable cost increase for small and medium consumers (now already 4 €/MWh, but new increases will be inevitable if policy remains unchanged).

For natural gas, federal surcharges have increased exponentially these last years. For gas intensive companies, this already weighs heavily on their competitiveness, especially since substantial exemptions are foreseen for the most important applications in most EU member states. Here too, it is urgent to introduce a degressive tariff and ceiling in order to safeguard the industrial activities concerned.

Febeliec asks the federal authorities to urgently revise their policy as regards surcharges:

- The core tasks of the authorities must be financed by fiscal revenues, not by levies on energy consumption.
- Surcharges for green electricity must be limited by balanced aid measures and a coherent policy.
- The overall surcharges (federal plus regional) on industrial consumers must be aligned to their level in the neighbouring countries in order to safeguard the competitiveness of the industry.
- Not to introduce any new surcharges on consumption, for example to support investments in new generation capacity.

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