

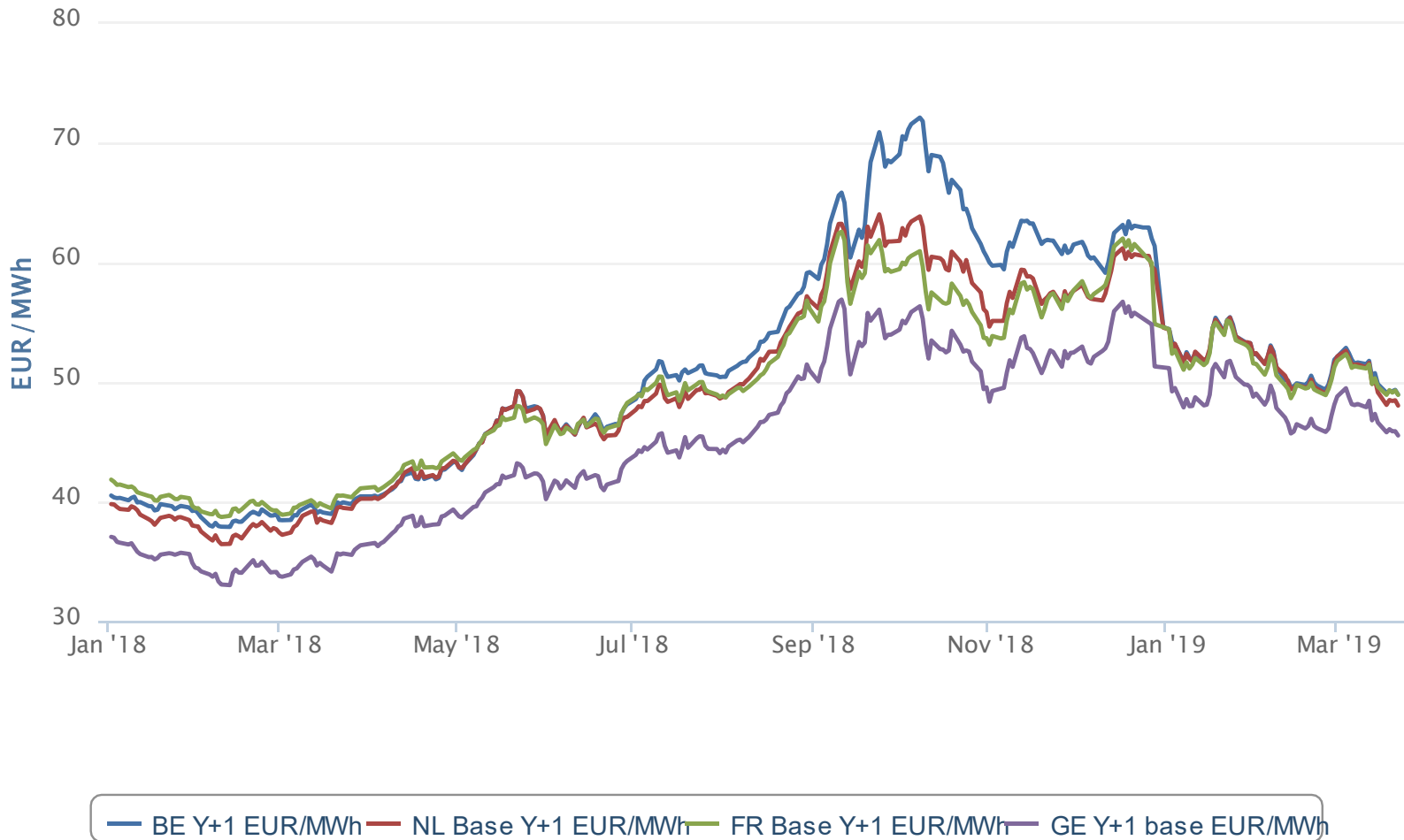
Press Conference: Deloitte Electricity Prices Survey Update 2019

26 March 2019
Peter Claes



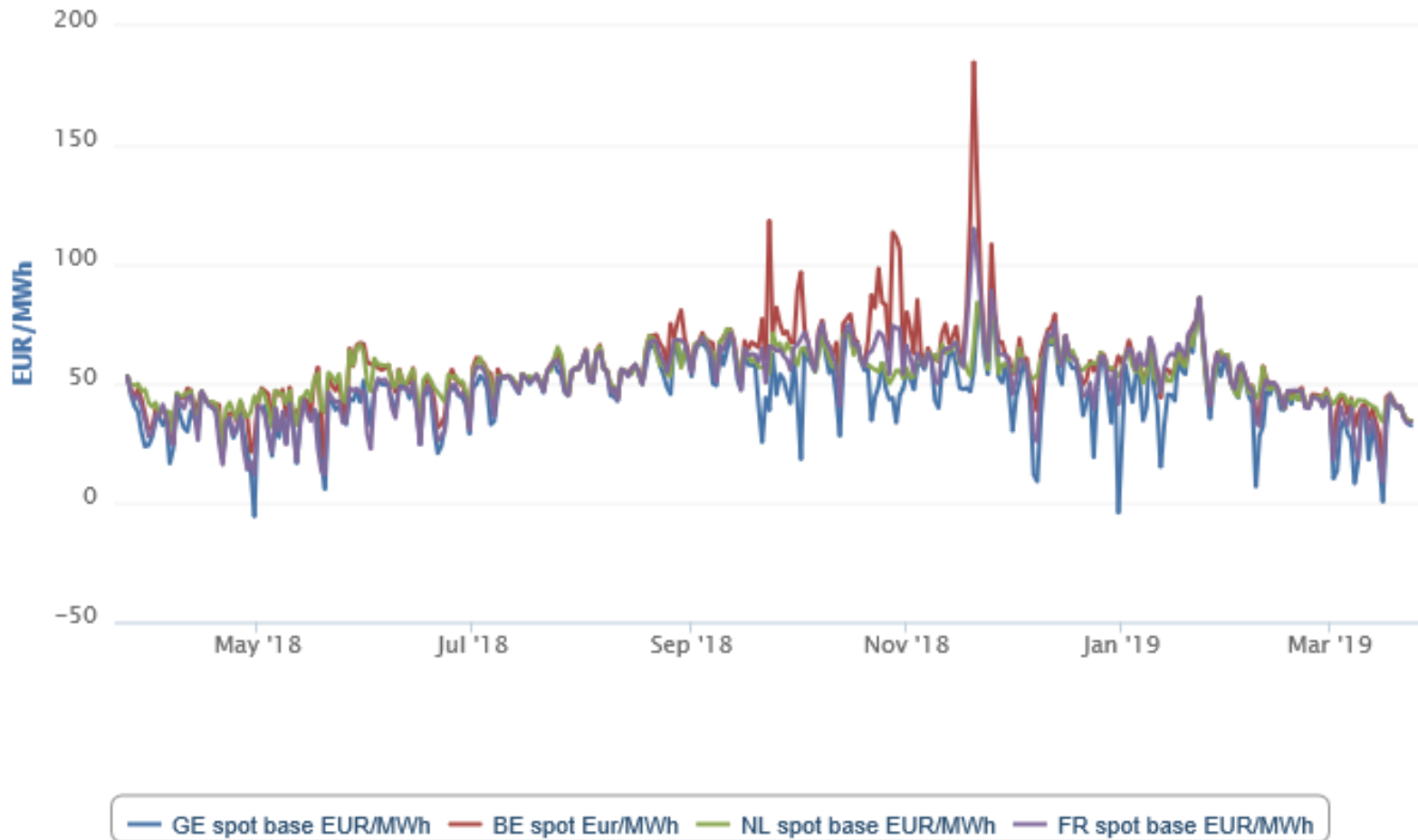
**Febeliec represents
the industrial consumers
of electricity and natural gas
in Belgium**

Electricity prices evolution



Source: EnergyMarketPrice

Electricity prices evolution

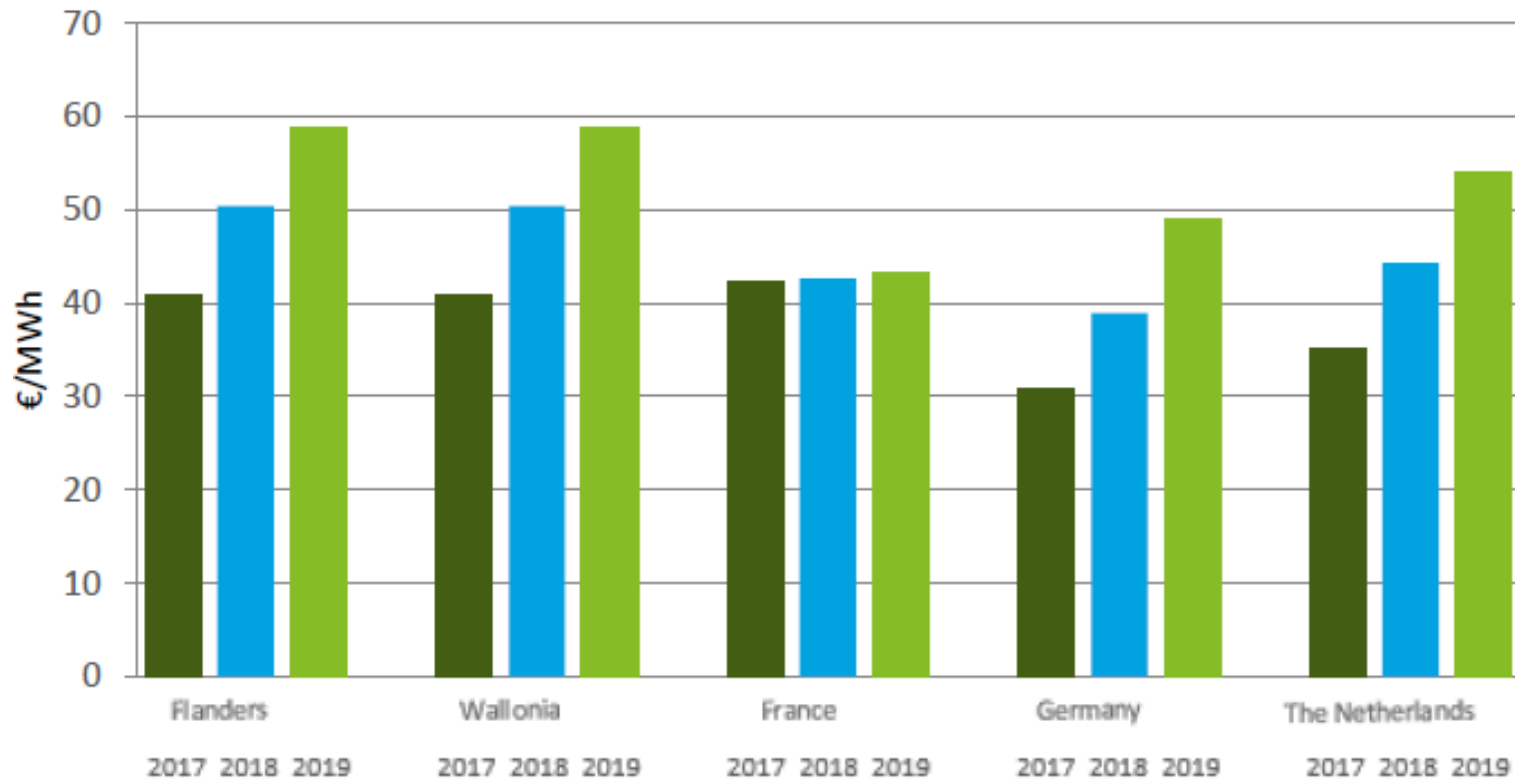


Source: EnergyMarketPrice

- Belgian commodity prices (forward + spot) for 2018 + 2019 higher than DE, FR and NL
- Concerns about nuclear plant availability caused higher prices in BE
- French baseload consumers benefit from ARENH tariffs

- Loopflows steal grid capacity from the market and are a constant cause of concern:
 - Level playing field needed between local and cross-border flows
 - Market coupling and integration to be improved rapidly
 - Flowbased allocation/calculation rules to be respected and improved
 - Regulator's actions start to show results (20% minimum availability, DE/AU-split)

Commodity electricity price

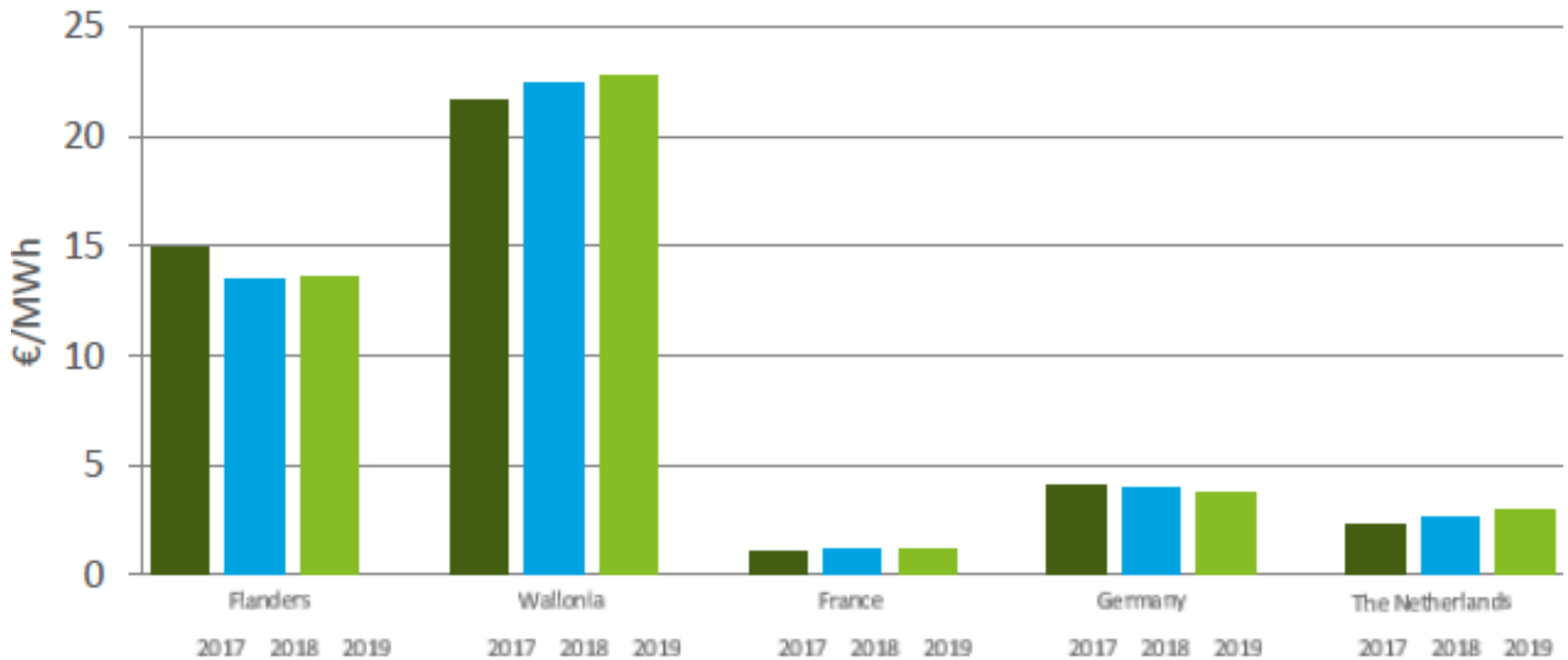


Source: Deloitte

- Diverging evolutions of taxes in 2019
 - Federal : Strategic reserve levy → 0
 - Flanders: increase in renewables certificates cost
 - Wallonia: increase in renewables certificates cost
- Taxes stay significantly higher in Belgium
- ETS compensation indirect emission in NL/D/FI/FR (Wallonia: implementation pending)

Note: it is assumed that industrial consumers benefit from the exemptions or hardship regimes introduced in the different countries/regions.

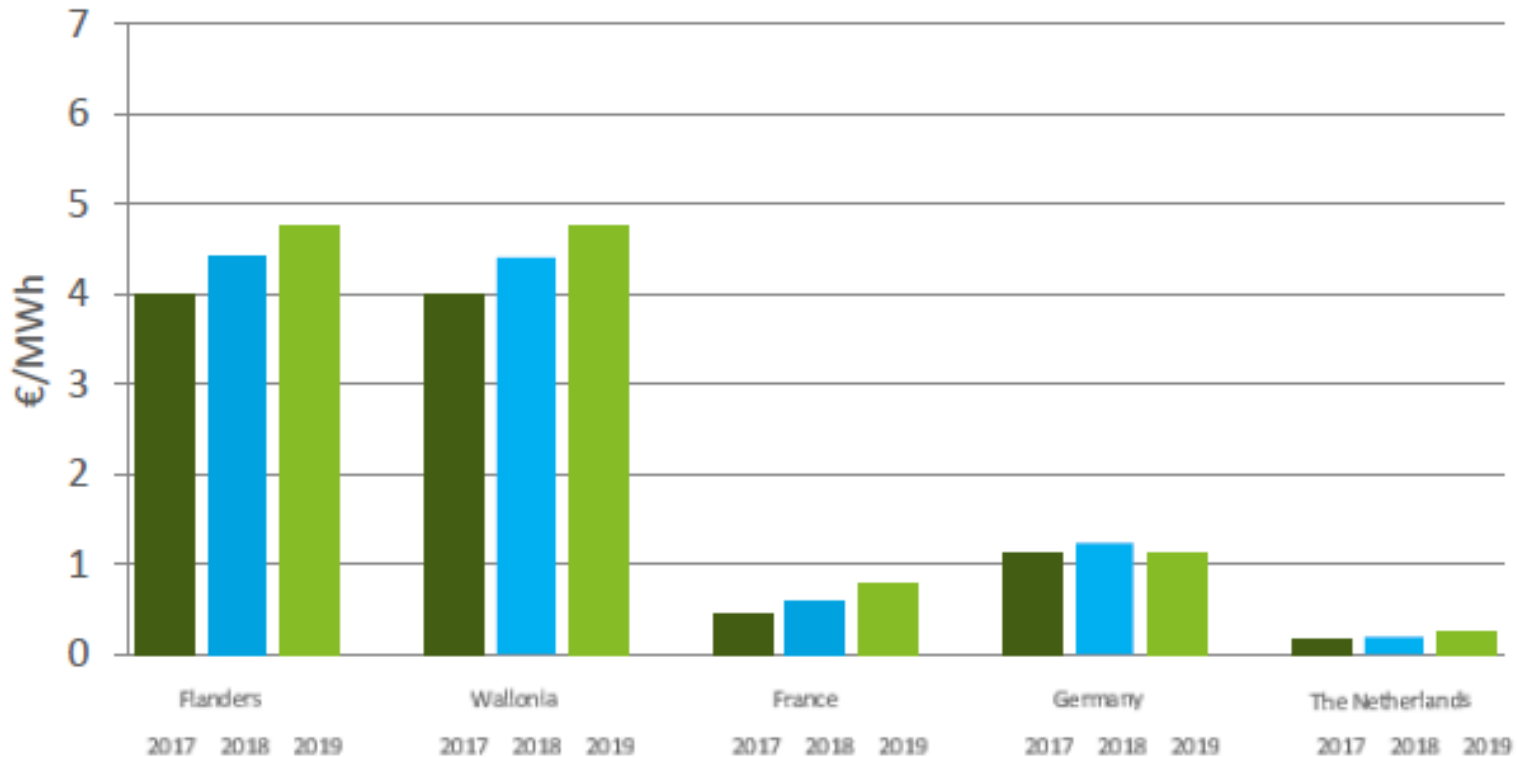
Electricity taxes for baseload profiles (100 GWh)



Source: Deloitte

What about network costs?

Network costs for baseload profiles (1000 GWh)



Source: Deloitte

What about network costs?

- Up to **90%** reduction in transmission tariffs in NL and D and F for consumers with stable offtake
- Impact of distribution tariffs not in scope

- Commodity price:
 - Belgian prices boosted by nuclear unavailability in winter 18-19
 - ARENH tariff favours French baseload consumers
 - Taxes remain substantially higher in B
 - Grid costs: up to 90% reduction in FR/D/NL for specific profiles
- Significant cost handicap for Belgian industry

ENERGY NORM

- Capacity Remuneration Mechanism can not be a substitute for Balancing Responsible Parties' (BRP) responsibilities → suppliers must respect their commitments
- CRM must comply with European guidelines (Clean Energy Package)
- Cost of CRM ? 5 to 15 bn euros over 15 years !
- Who pays the bill ?
15€ for a household corresponds to 4.500.000€ for a large industrial consumer...

More info ?

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