

Press Conference: Electricity Prices Survey Update 2020

22 April 2020

Peter Claes



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

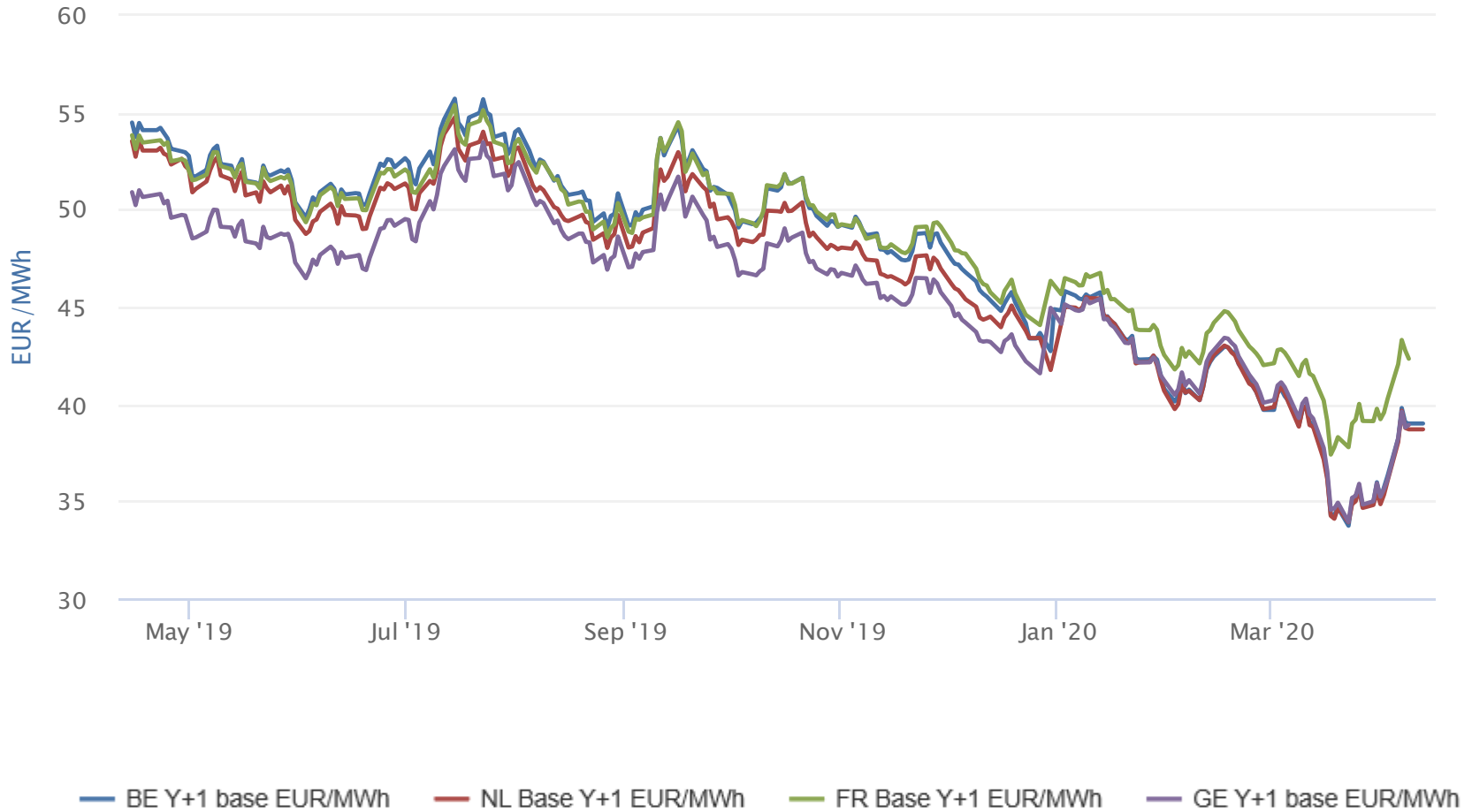
- Worst economic recession / depression since the 1930s
- Belgian GDP 2020/2019: minus 8%
- Graydon analysis : 80% of Belgian companies in trouble if lockdown lasts > 2 months

Electricity prices evolution



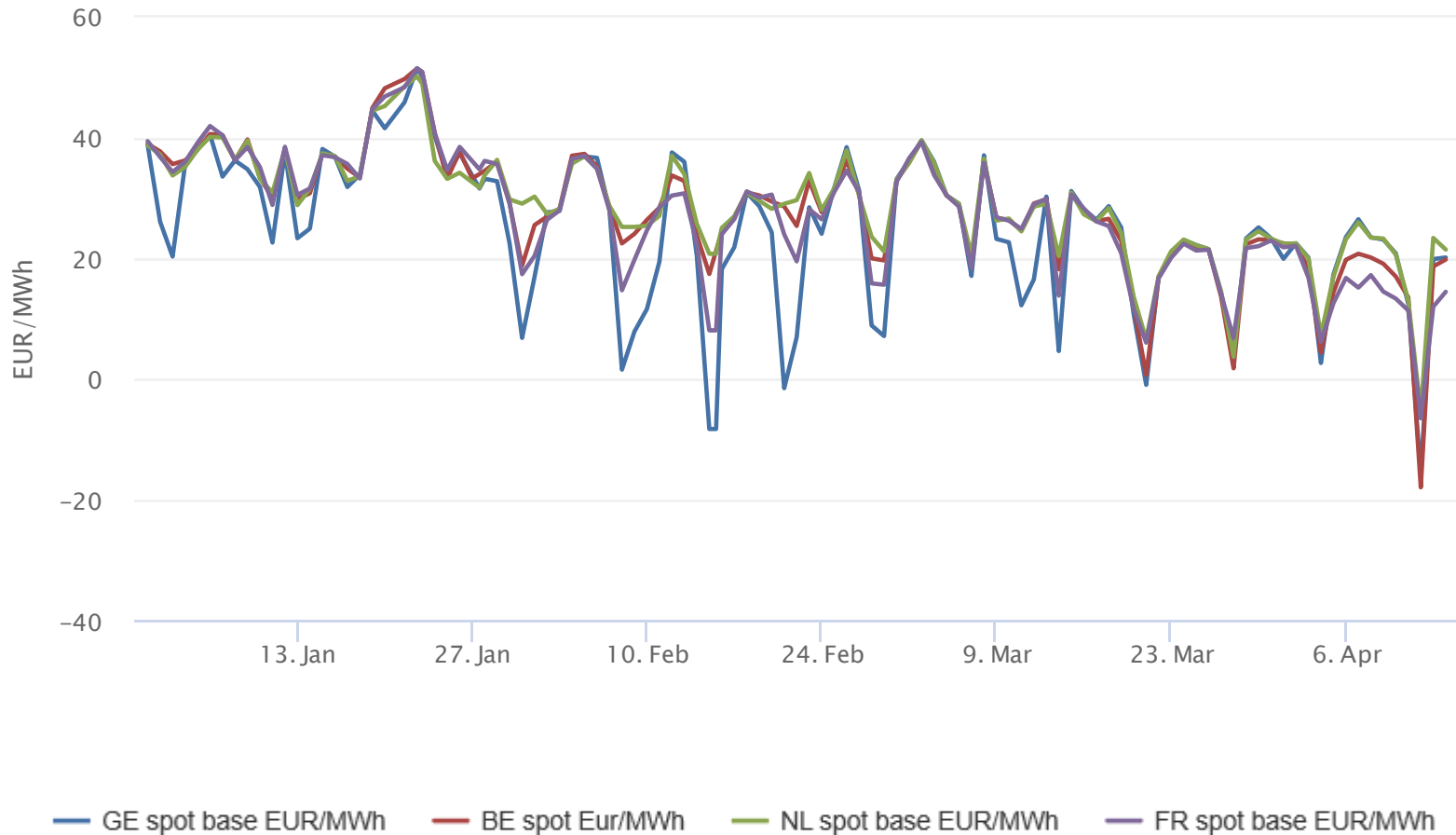
Source: EnergyMarketPrice

Electricity prices evolution



Source: EnergyMarketPrice

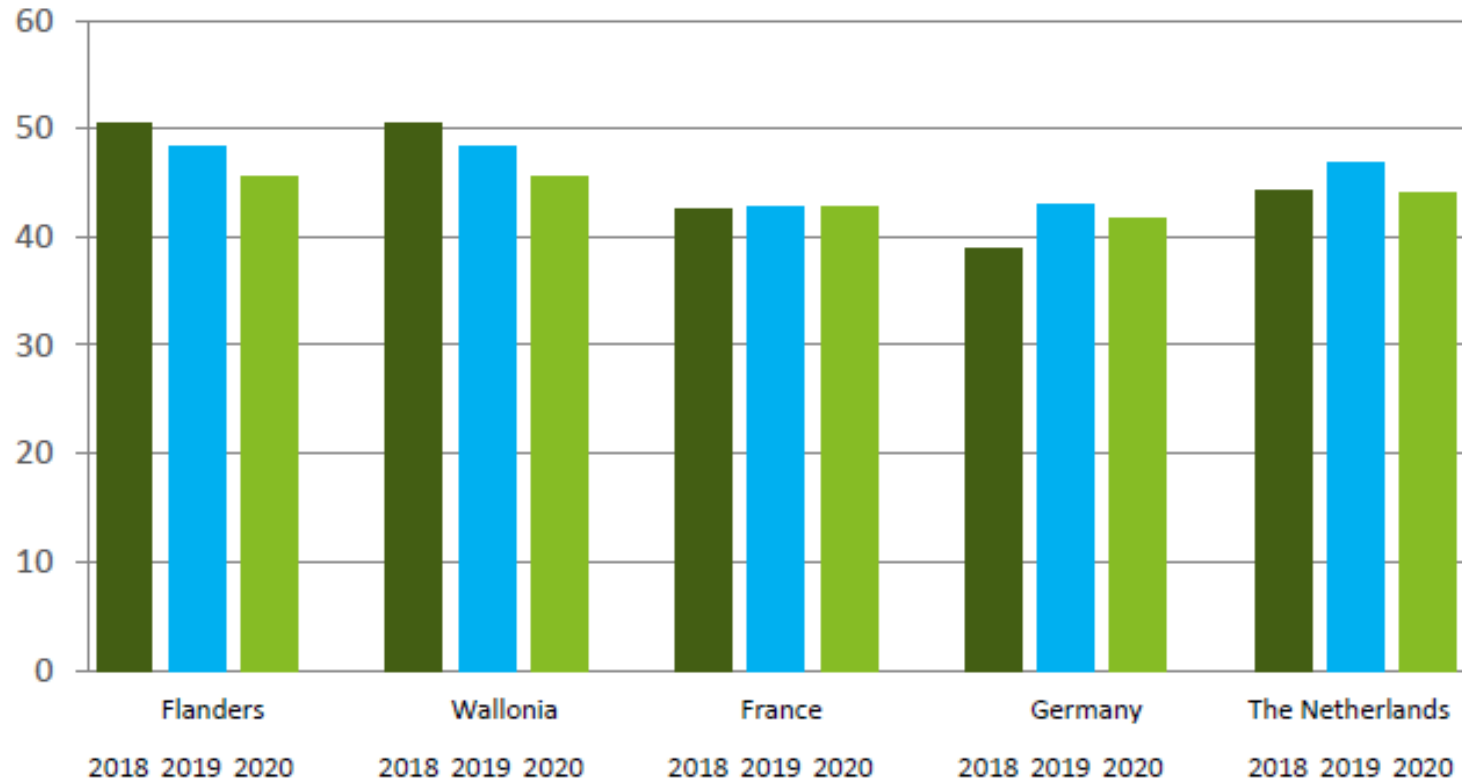
Electricity prices evolution



Source: EnergyMarketPrice

- Belgian commodity prices (forward + spot) for 2020 closer to DE, FR and NL
- Less concerns about nuclear plant availability caused more price convergence
- French baseload consumers benefit from ARENH tariffs

Commodity electricity price



Source: Deloitte

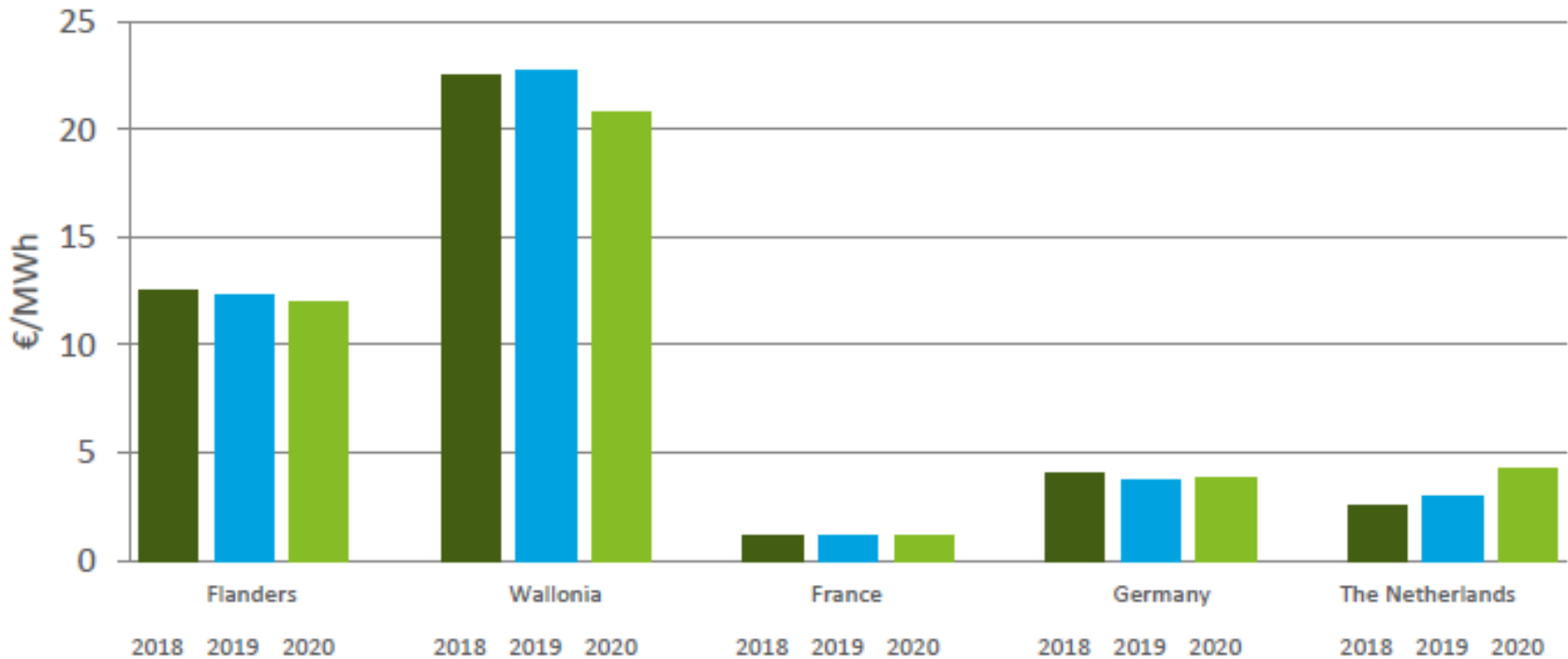
What about taxes?

- Tax evolutions in 2020
 - Federal level : Federal levy slightly lower
 - Flanders: little or no change
 - Wallonia: OSP Elia 2nd term dropped, awaiting introduction of 3rd term (“mobilisation”)
- Taxes stay significantly higher in Belgium
- ETS compensation indirect emission in NL/D/FI/FR (Wallonia: partial implementation)

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

What about taxes?

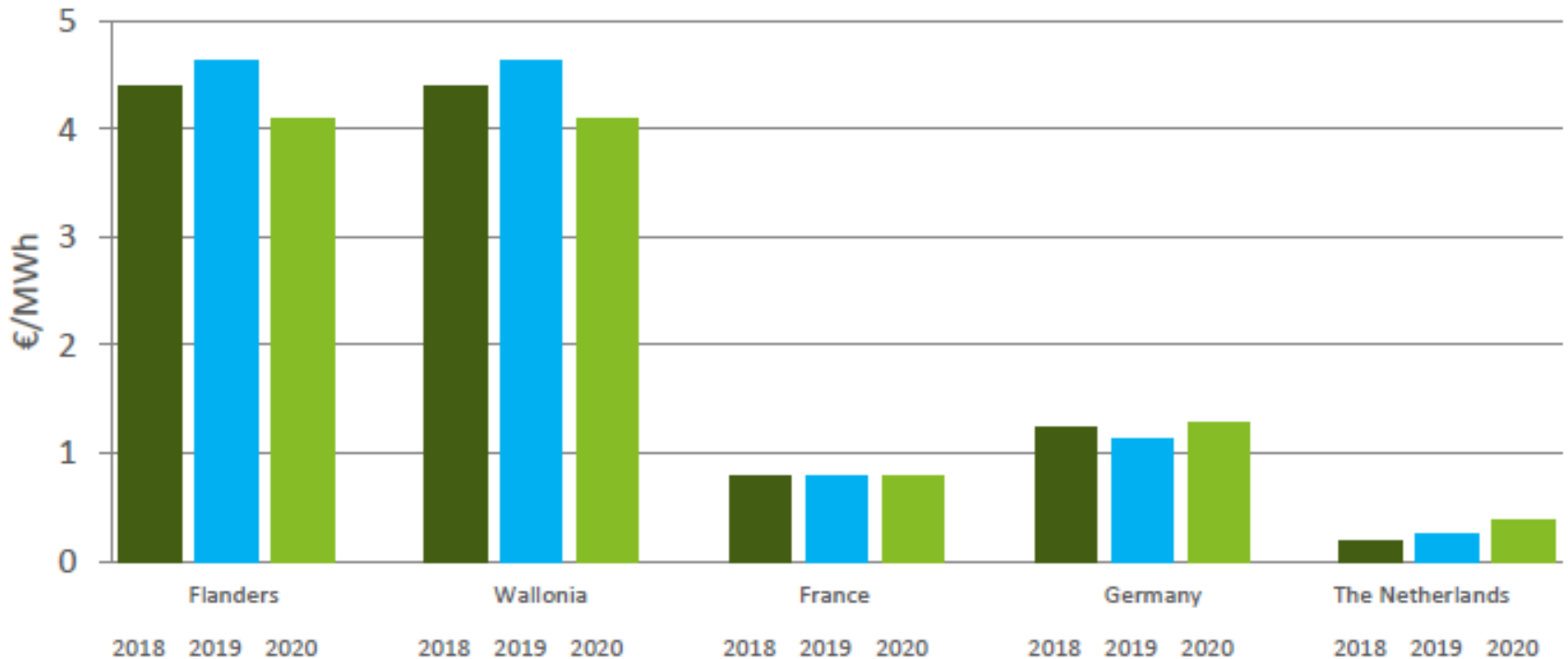
Electricity taxes for baseload profiles (100 GWh)



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 converged thanks to higher nuclear availability
 - 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

- Coronacrisis worst economic crisis since 1930s – industrial revival requires competitive energy prices
 - **energy norm**
- For Febeliec, it is very unlikely that the CRM will be operational in time
 - decision on **life time extension of 3 (if possible) nuclear plants** is needed now in order to reassure electricity wholesale markets

More info ?

febeliec@febeliec.be

Febeliec

BluePoint Brussels

Bd. A Reyerslaan 80

1030 Brussels

+32 496 59 36 20