

PRESS CONFERENCE

Electricity Prices Deloitte Survey

18 March 2021



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

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- Worst economic crisis since World War II
- Belgian GDP 2020/2019: **minus 6,2%**
(NBB)
- Graydon analysis : 25% of Belgian companies with liquidity issues (before corona: 9%)

Electricity prices evolution



Source: EnergyMarketPrice

Electricity prices evolution

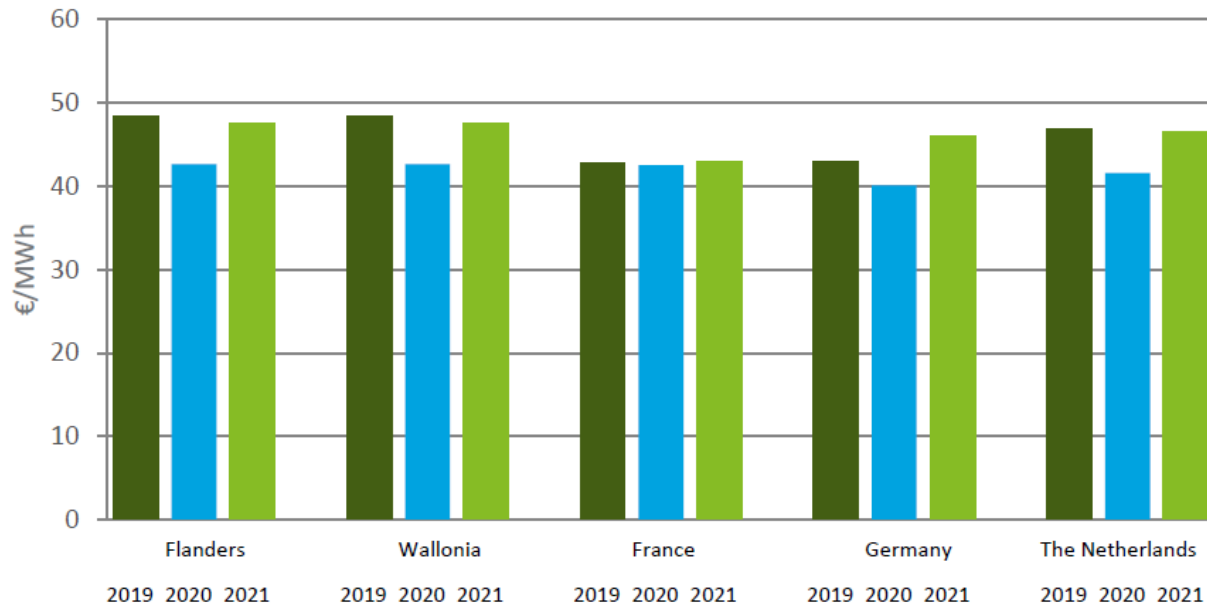


Source: EnergyMarketPrice

- Belgian commodity prices (forward + spot) 2021 remained close to DE, FR and NL
- Less concerns about nuclear plant availability caused price convergence
- French baseload consumers benefit from ARENH tariffs

Electricity prices evolution

Commodity electricity price

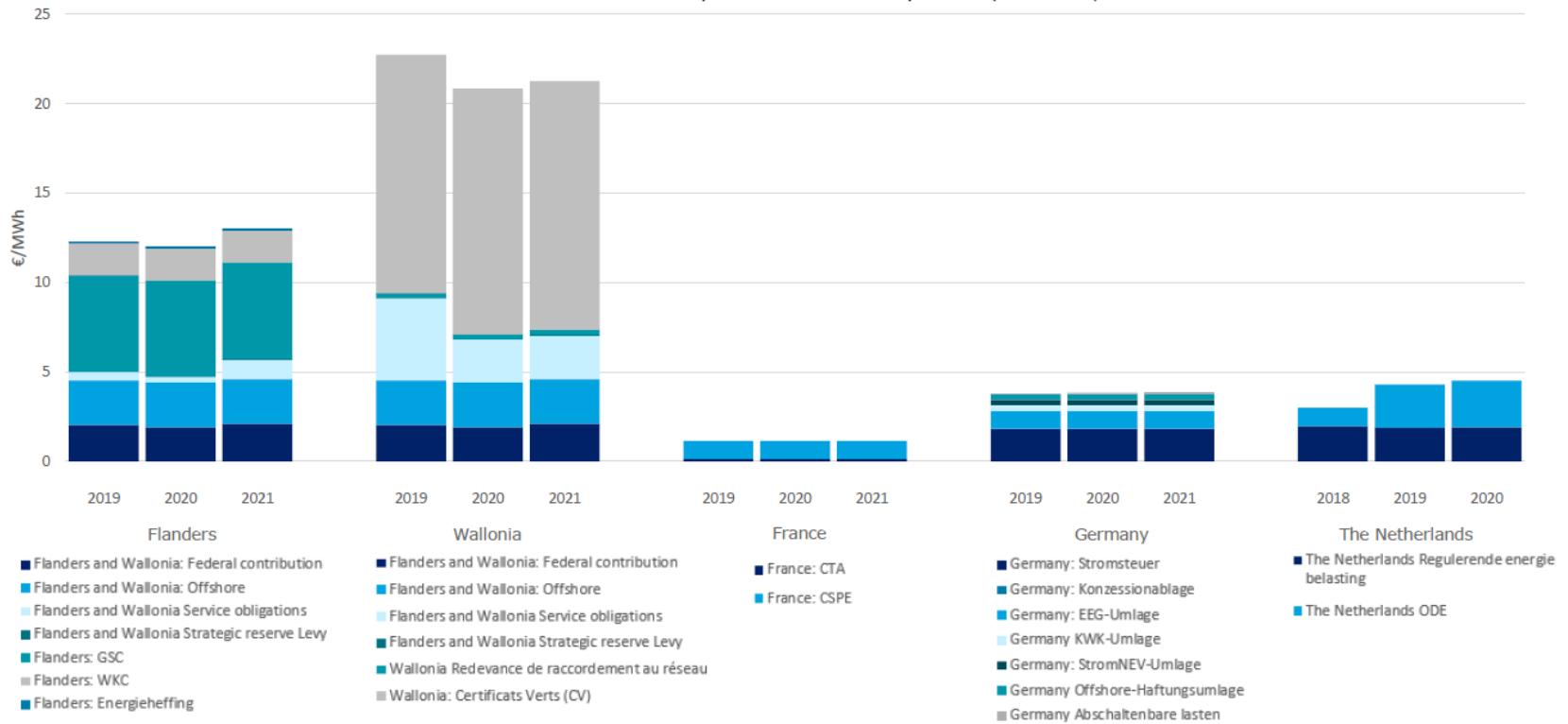


Source: Deloitte

- Tax evolutions in 2021
 - Federal level : strong increase of
 - Federal levy (+10% to 3,51€/MWh)
 - Offshore certificates levy (+30% to 11,69€/MWh)
 - Strategic reserve levy from 0 to 0,05 €/MWh
 - Flanders: strong increase of
 - Levy “pylons and trenches” (+208% to 0,45€/MWh)
 - RES Levy (+244% to 0,5530 €/MWh)
 - Wallonia: no major changes
 - OSP Elia 2nd term stays at 0, 3rd term (“mobilisation”) to be abandoned?

Comparative overview of electricity taxes Baseload profile (100 GWh)

Detailed overview electricity taxes for baseload profiles (100 GWh)

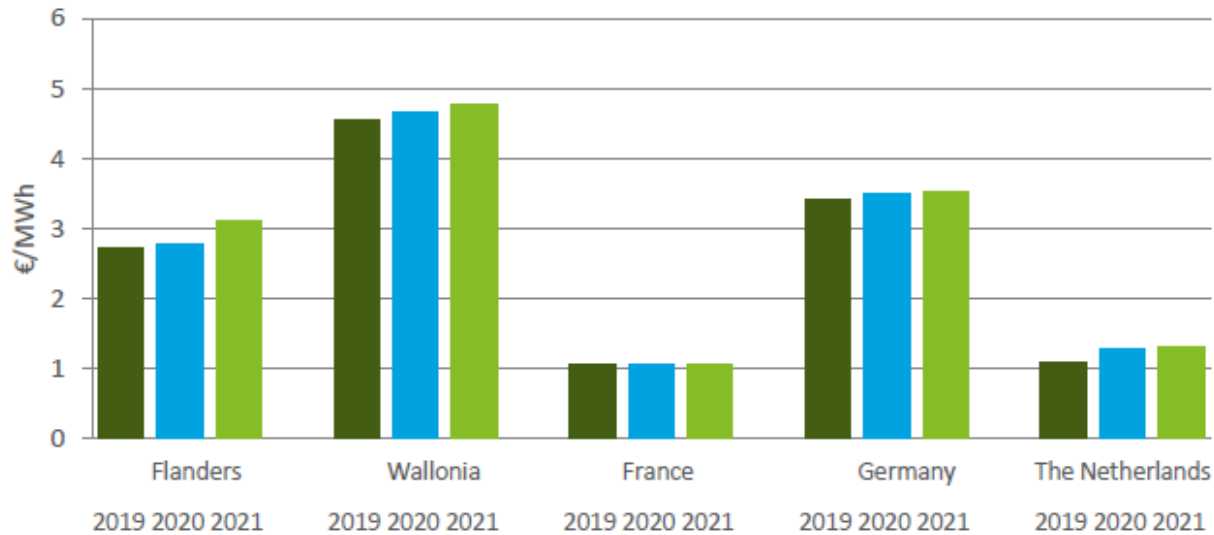


Deloitte Belgium

Benchmarking study electricity 2021 14

What about taxes?

Electricity taxes for baseload profiles (1000 GWh)



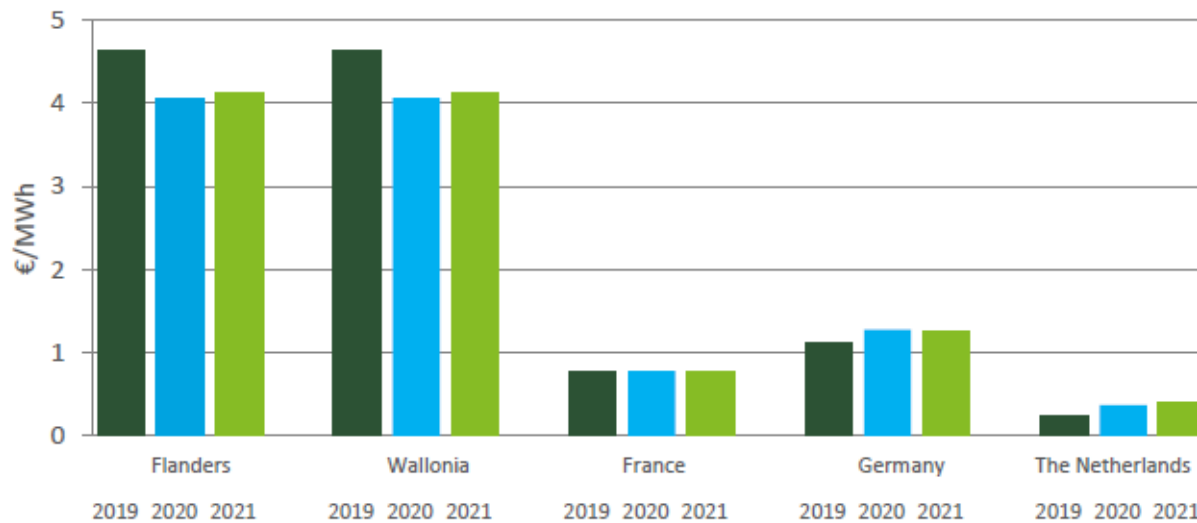
Source: Deloitte

What about taxes?

- Taxes stay significantly higher in Belgium
- Concerns on potential further increases (no degressivity)
 - Strategic reserve / CRM levy
 - Pylons and trenches (Flanders)

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 stable / predictable / anti-cyclical consumption profiles
- Impact of distribution tariffs not in scope

Conclusions (1)

- Commodity price:
 - Belgian prices converged thanks to 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 consumption profiles
- Corona crisis worst economic crisis since WWII – industrial revival requires competitive energy prices
 - energy norm

Conclusions (2)

- For Febeliec, it is very unlikely that the CRM will be operational in time (auction October 2021)
 - Serious concerns about compliance with State Aid Rules (DG Competition in-depth investigation ongoing)
 - Serious concerns about compliance with “lowest possible cost” criterion
- **Life time extension of 2 GW of nuclear capacity** is most rational decision
 - Lower system cost
 - Lower import dependency
 - Lower CO₂ emissions
 - No impact on renewables development

Further delay of this decision seriously threatens security of supply in '25-'26
- Financing mechanism of CRM must not further jeopardise Belgian industry's competitiveness