febeliec
federation of belgian industrial energy consumers

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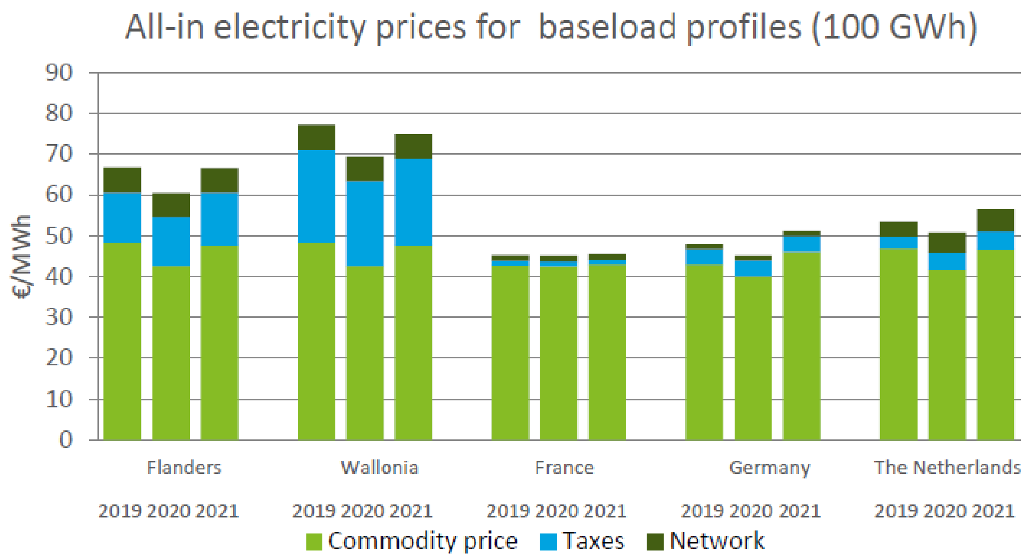
BELGIAN INDUSTRY FACES POST-CORONA RECOVERY WITH SIGNIFICANT ENERGY COST DISADVANTAGE

Brussels, 18 March 2021 – For the 9th consecutive year, Febeliec commissioned Deloitte to calculate the cost of purchased electricity for Belgian industrial consumers compared to their competitors in neighbouring countries. The handicap for Belgian industrial consumers remains substantial, and puts Belgian industry in a clear disadvantageous position ahead of the post-corona recovery. The announced introduction of a subsidy mechanism for new gas plants (CRM) risks to further deteriorate this position taking another wrong step further away from the committed energy norm.

The 9th benchmarking exercise delivered by Deloitte for the account of Febeliec, shows that electricity prices for Belgian industrial baseload consumers are 7 to 27% higher than in our neighbouring countries. While commodity prices continued to converge thanks to higher nuclear availability in Belgium, taxes both on the federal and Flemish level increased in 2021. Transmission grid costs remain relatively high for Belgian baseload consumers, as France, the Netherlands and Germany allow substantial reductions (up to 90%) for these profiles.



Febeliec again calls upon the federal and regional governments and regulators to urgently implement an energy norm for industrial energy consumers, introducing corrective measures whenever an international benchmarking exercise proves Belgian prices to be uncompetitive compared to our neighbouring countries. These actions can aim at reducing the handicap at the level of the still increasing (federal and regional) taxes and the transmission grid costs. Furthermore, the financing mechanism of the future CRM (capacity remuneration mechanism) as proposed today (without any degressivity), will put an additional competitive burden on industrial consumers.

As for security of supply, it is very unlikely that the CRM will be operational in time for the first planned auction in October 2021. Life time extension of 2 GW of nuclear capacity is today the most rational decision to guarantee security of supply at a lower system cost, with less CO_2 emissions and with a lower import dependency. Any further delay of this decision will jeopardise security of supply in the Winter 2025-26.

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