

PRESS CONFERENCE

Electricity Prices Deloitte Survey

25 April 2022



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

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- Corona crisis: deepest crisis since World War II
Belgian GDP 2020/2019: minus 5,7% (NBB)
- Strong recovery in 2021 (GDP + 6,1%)
- 2021-2022: High (energy) demand + war in Ukraine → energy prices reach historic highs

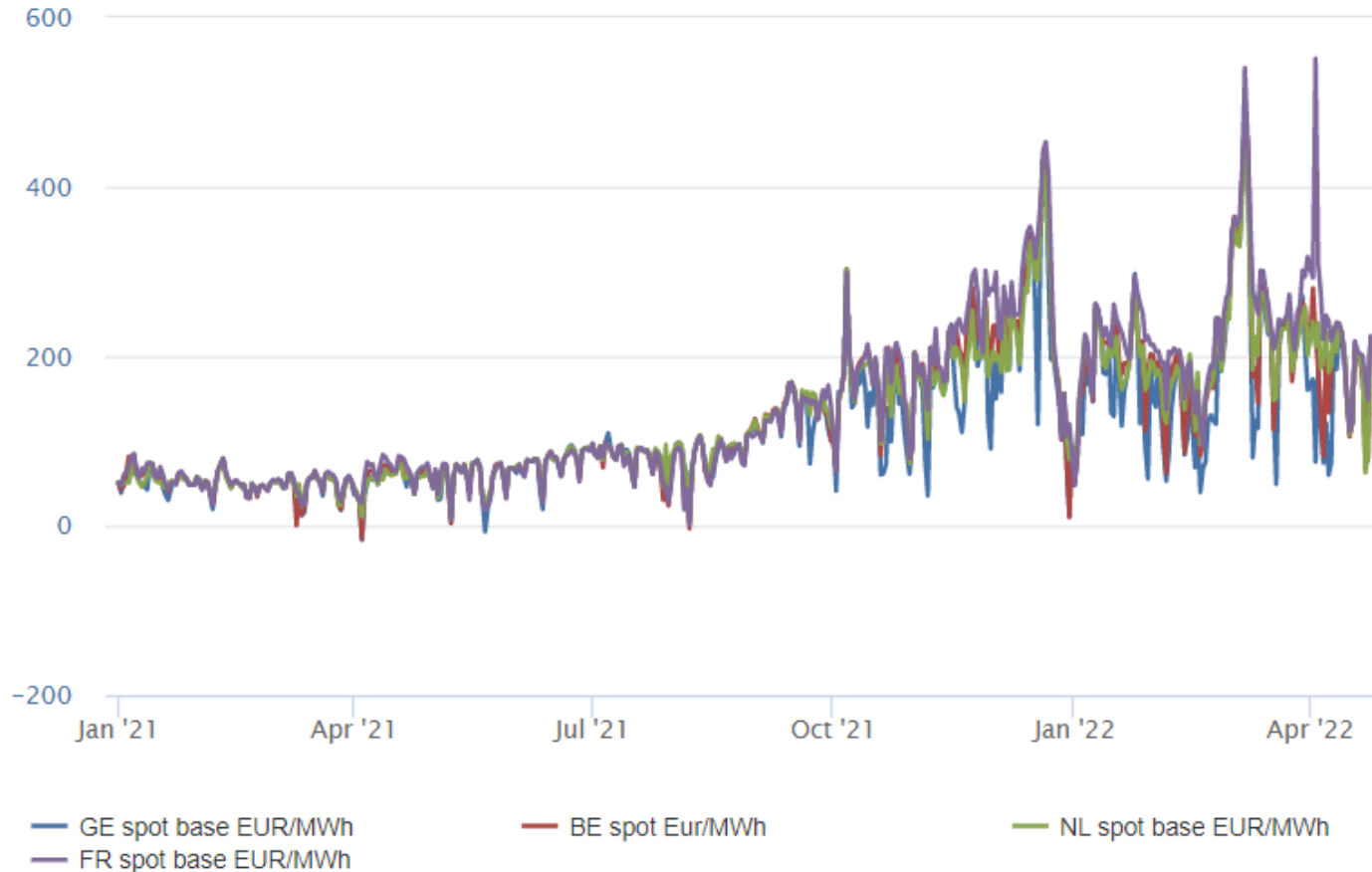
Gas prices evolution

Zee Spot price (€/MWh)



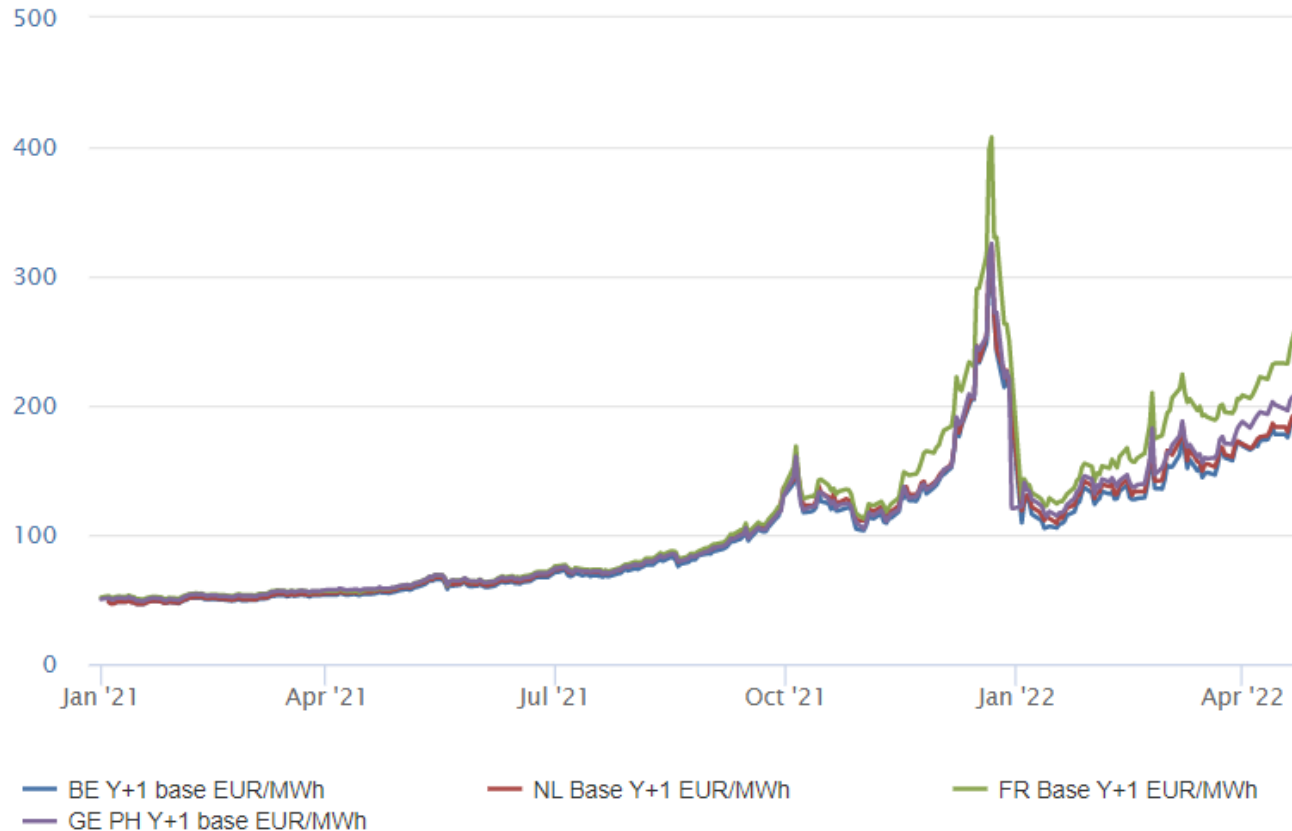
Source: EnergyMarketPrice

Electricity spot prices evolution



Source: EnergyMarketPrice

Electricity Cal+1 prices evolution



Source: EnergyMarketPrice

CO₂ price evolution



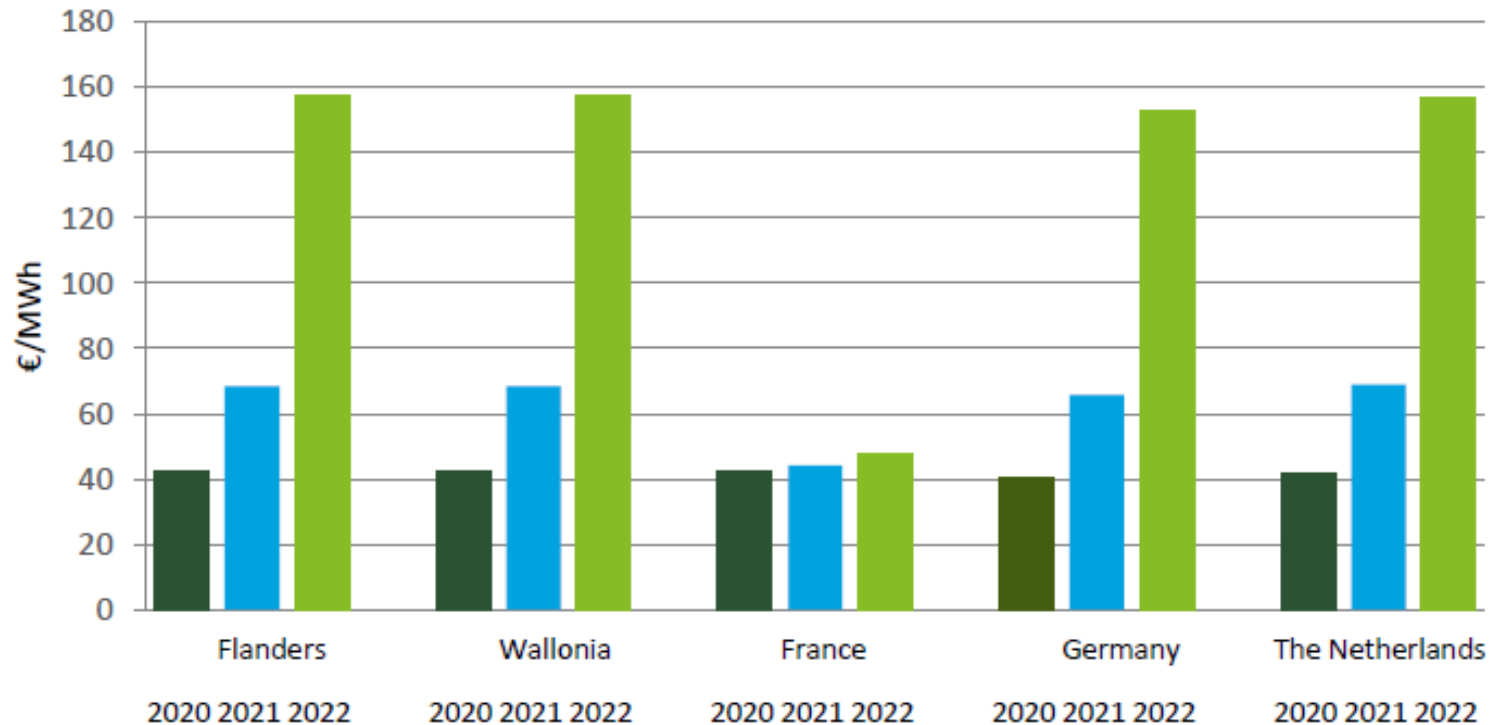
Source: EnergyMarketPrice

- Strong increase in all countries (historic highs)
- Belgian commodity prices (forward + spot) 2022 remained close to DE and NL
- FR baseload industry benefits from ARENH regulated tariff

Electricity prices evolution

Baseload

Commodity electricity price

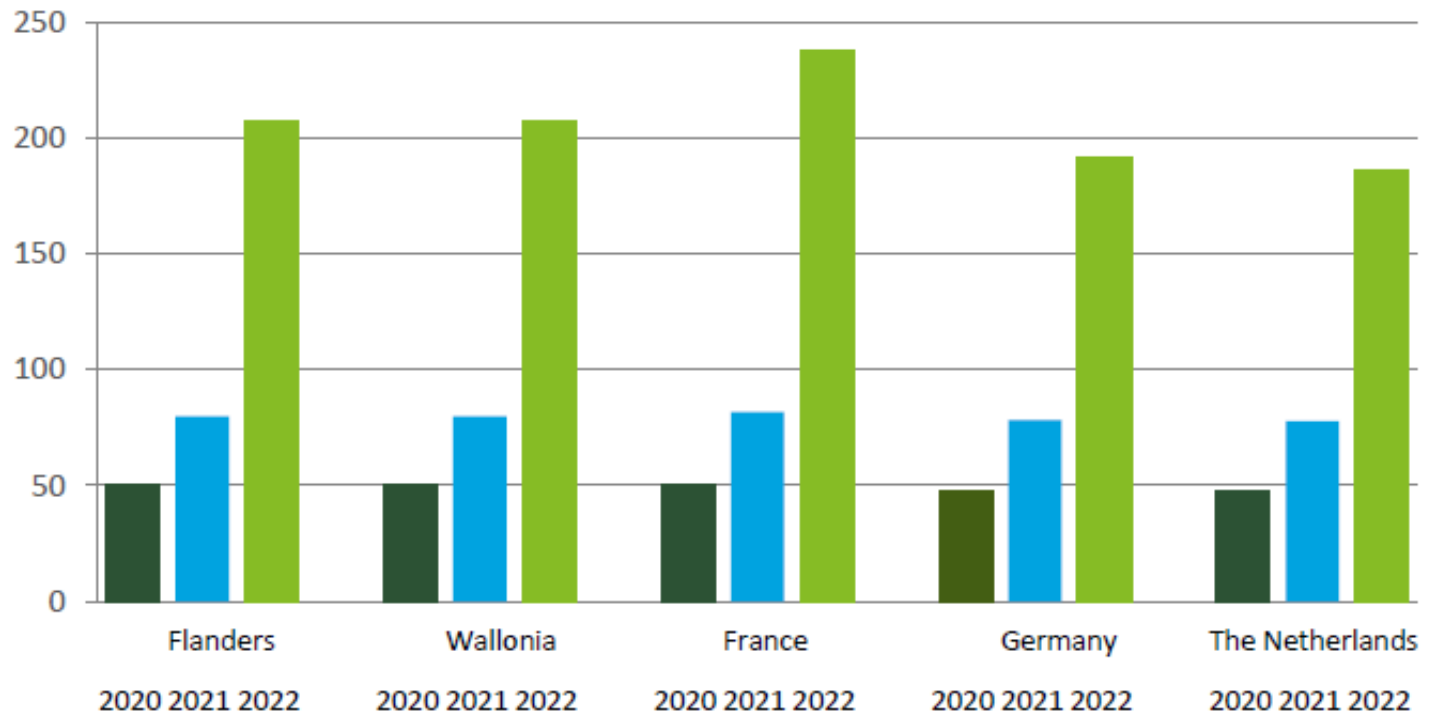


Source: Deloitte

Electricity prices evolution

Peak load

Commodity electricity price

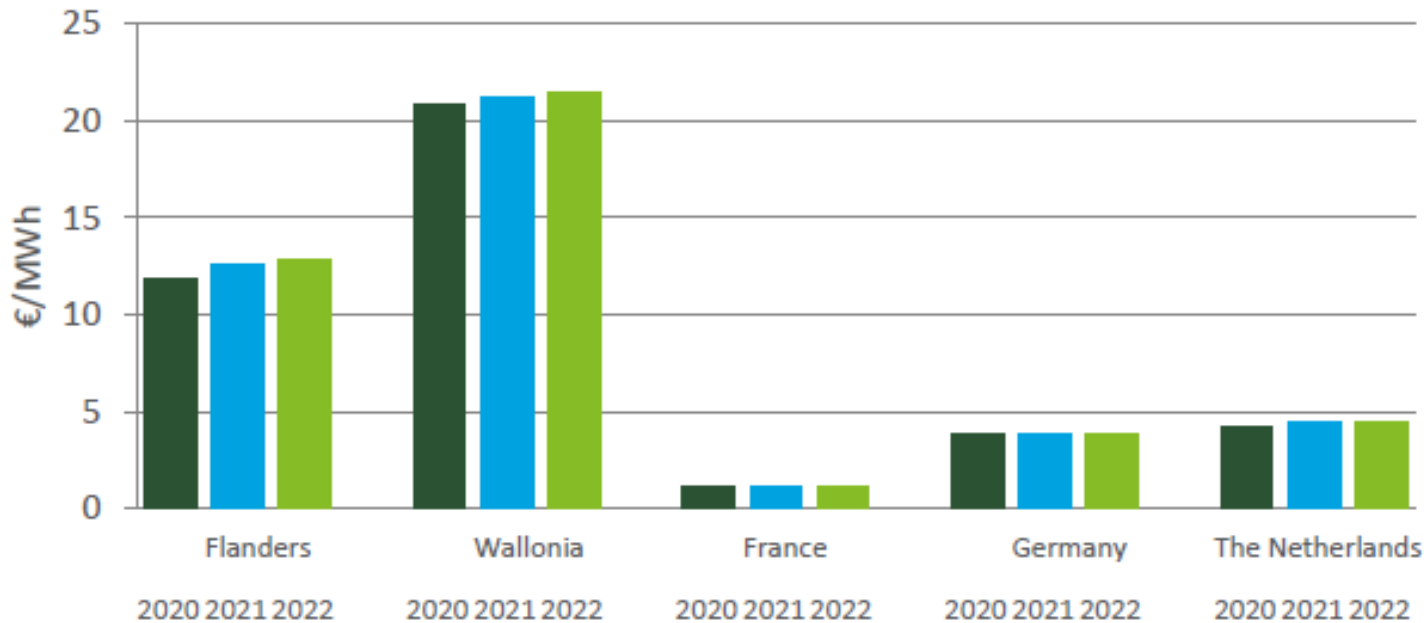


Source: Deloitte

- Tax evolutions in 2022
 - Federal level: all levies (electricity + gas) replaced by special excise as from 1/1/2022
 - Solves issue with DG Competition on offshore levy cap
 - Largest consumers: cost INCREASE (no more cap)
 - Exemption possible for specific activities (electricity + gas)
Assumption Deloitte: no exemption
 - Regional level: no major changes
 - Germany: EEG Umlage probably to 0 as from 1/7/2022

What about taxes?

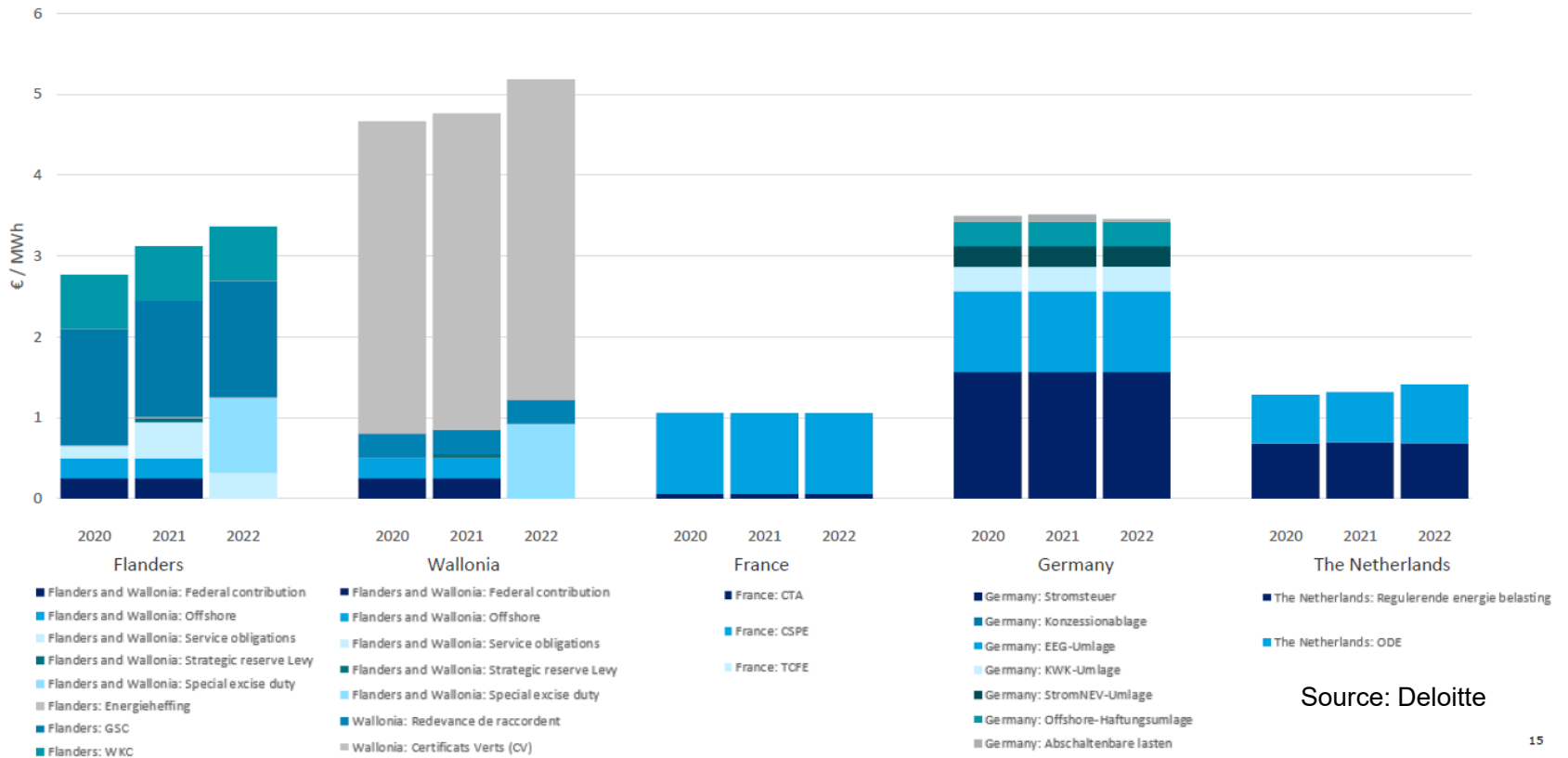
Electricity taxes for baseload profiles (100 GWh)



Source: Deloitte

Comparative overview of electricity taxes Baseload profile (1000 GWh)

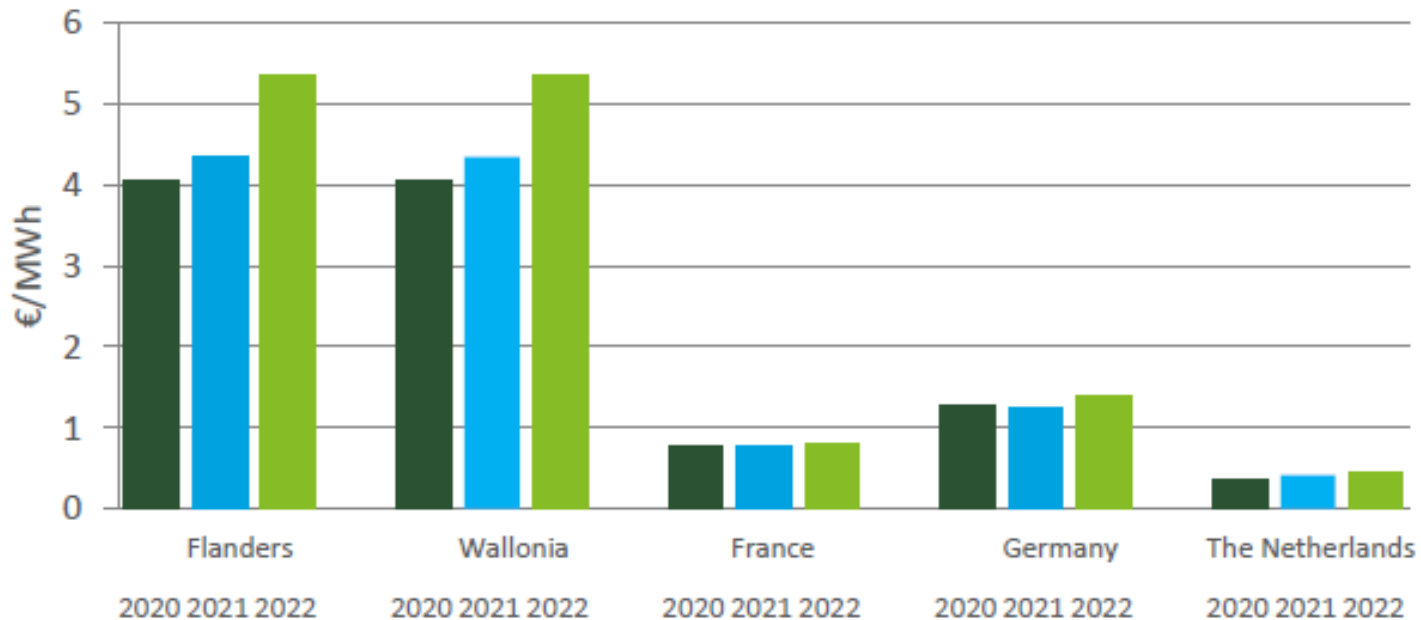
Detailed overview electricity taxes for baseload profiles (1000 GWh)



Source: Deloitte

What about network costs?

Network costs for baseload profiles (1000 GWh)



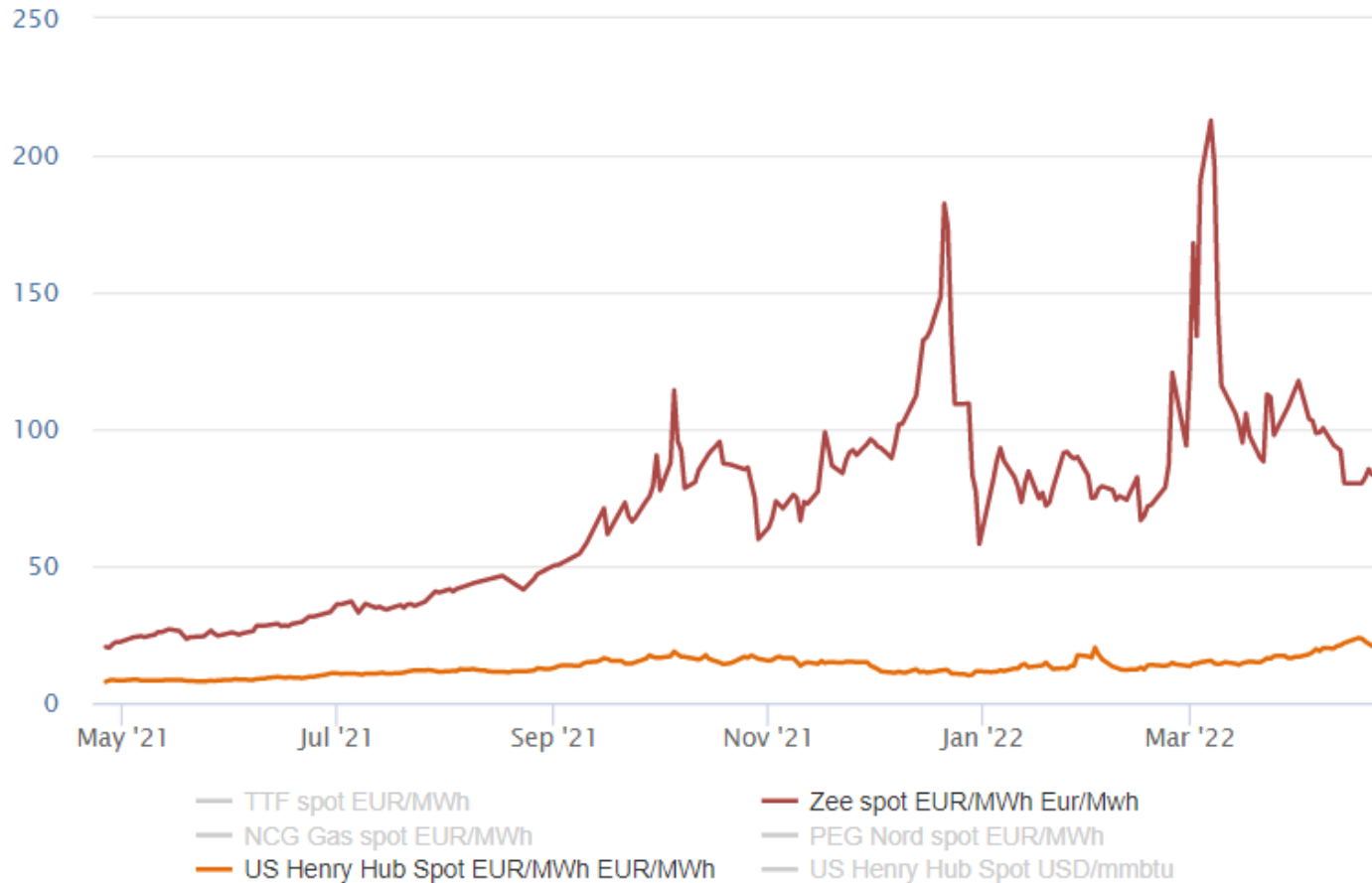
Source: Deloitte

What about network costs?

- Up to 90% reduction in transmission tariffs in NL and D and F for stable / predictable / anti-cyclical consumption profiles
- Impact of distribution tariffs not in scope

- Commodity price:
 - Strong increase of all market prices
 - Belgian prices converge 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
 - energy norm

Conclusions (2)



Source: EnergyMarketPrice

- **European industry as a whole suffers a major competitive disadvantage compared to large parts of the rest of the world, which might lead to its deepest crisis in decades.**
- Febeliec calls upon European, federal and regional authorities to urgently take the necessary measures to restore European industry's competitiveness, such as:
 - a rapid and drastic decrease of all taxes on electricity consumption;
 - a reduction in transmission grid costs for baseload consumers;
 - a further geographical diversification of natural gas supply sources;
 - a close monitoring of European gas storages filling level;
 - a review of electricity, gas and CO₂ markets functioning;
 - further stimuli for innovation in energy efficiency;
 - a technology-neutral fuel mix for the future climate neutral energy system;
 - developing local European energy sources;
 - introducing effective measures to support industry suffering from uncompetitive energy prices.