Economic and industrial consequences of high energy prices

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International electricity wholesale prices are converging…

Source: European Commission 2014, Staff working document “Energy prices and costs report.”, p. 176, figure 113
... while Industrials are paying more than twice as much for electricity as their counterparts in U.S.

EURELECTRIC’s report on prices shows a cleaner distinction on main price components than EUROSTAT figures.
There is a lack of harmonized reporting on electricity prices in Europe.
EURELECTRIC figures show a sharp increase of taxes & levies while the energy component in the price has decreased. 

Evolution of Household Components

- Energy
- Network
- Taxes & Levies

Evolution of Industrial Price Components

- Energy
- Network
- Taxes & Levies

Total price increment for both consumer groups: +10%
Policy Support Costs have increased - in particular for Renewables
Conclusions

- **Clean up the electricity bills!** Show the customers how much they pay for what. Reduce taxes and levies to allow customers to benefit from wholesale competition.

- **Integrate the Internal Electricity Market further!** (i.a. improve cross-border capacity, intraday and balancing markets)

- **The cost structure in the electricity sector is changing** – The growing dominance of capacity and investment (MW) vs. variable (MWh) cost should be stronger considered in the price formation.