

Eurelectric

The European power sector association

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- Represents the power sector in over **32 European countries**
- Speaking for more than **3,500 companies in power generation, distribution and supply**
- Promote the **role of electricity in addressing the challenges of sustainable development.**
- Gathers more than **1000 industry experts** providing high-quality input with up-to-date information
- **Permanent Secretariat** based in Brussels



Fit for 55 – key elements

Electrification of end uses as the golden thread

- Electricity will shape the new cross-industry ecosystems that deliver the energy transition. Leverage the power of modern, carbon neutral, and electrified technologies that also reflect growing customer demand: especially for e-mobility, electric heat pumps and renewable energy.

Markets & Investments – frameworks for acceleration

- Predictable, long-term, stable, transparent, and market-based frameworks are needed to ensure the necessary investment in renewables, carbon neutral energy sources and key transition enabling technologies such as storage, Power-to-X, and demand side flexibility assets while addressing the security of supply challenge.

Accelerate the deployment of renewables as ambition requires permission

- Reconcile the policy framework on permitting processes, national resources allocated to it, and environmental goals to achieve the Green Deal objectives. Radical changes might be necessary

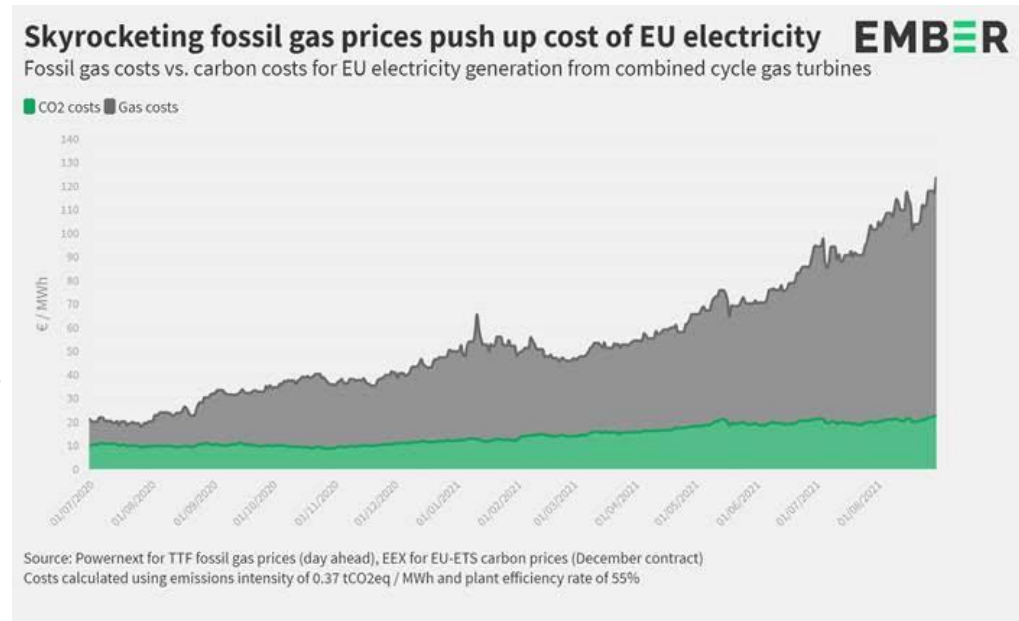
Distribution grids – backbone of the digital and energy transition

- Grids facilitate the energy transition. To make European distribution grids fit-for-purpose in an increasingly decarbonised, decentralised, and digitalised power system investments need to increase by 50-70% over the next decade.

Fit for 55 & the energy price debate

Reasons for price spike

- Increased energy demand after COVID economic recovery
- Increased global gas prices & reliance on imported gas to produce electricity (20% of EU power supply)
- Low sun & wind generation this summer
- Increased EUAs prices (account for 15% of recent increase)
- Limitation in cross-border capacity allocation on some key interconnectors
- Capacity constraints in some regions



Fit for 55 & the energy price debate

Eurelectric recommendations

Short-term

- Preventing ad-hoc intervention
- Target immediate efforts to low-income & vulnerable households
- Reduce national taxes on electricity

Long-term

- Reduce taxes and levies via the Energy Taxation Directive review
- Further integrate markets & unlock demand side flexibility via CEP implementation
- Accelerate the clean energy transition with deployment of RES & carbon-neutral sources to hedge against volatile fossil prices
- Accelerate energy efficiency measures as foreseen by the FF55 package, in particular for low-income households & vulnerable customers
- Consider future market design to enhance long term investment signals.

