

Benelux Business Roundtable

Position Paper - Towards integrated energy markets in Europe: Streamlining Benelux priorities

The **Benelux Business Roundtable** ("BBR") brings together business leaders from the Benelux, representing companies with significant interests in terms of contribution to GDP, employment and assets within the Region. Together they identify areas and actions where closer collaboration is required and promote recommendations to political leaders at national and EU level, when political action is considered necessary.

The European energy industry faces many challenges due to the transformation of the energy system, including the security of supply. For example, Belgian industry is faced with energy prices which are significantly higher than in neighbouring countries. This is due to various increases in grid costs as well as in taxes and levies. These developments show that national markets are not sufficient to deal with the challenges. In this respect, the European Commission has acknowledged that regional cooperation between member states should be considered to address concerns of security of supply and market functioning in a context of severe environmental constraints, putting forward the Netherlands and Belgium as member states with complementary energy mixes that would benefit from stronger cooperation. A multinational approach is necessary to create infrastructure for sustainable energy production, distribution and back-up power solutions. Next to further integration, the **BBR** also calls for more consistency and harmonisation in energy and climate policies for the Benelux.

Benelux action

In this light, the **BBR** proposes the following specific actions that could be taken on a Benelux level:

- Reinforcement of the grid capacity in the Benelux and with neighbouring countries such as Germany. The construction of new grid lines is very time consuming. Therefore, the **BBR** suggests that the Benelux public authorities take this point as soon as possible to the Pentalateral table and strive for the mobilisation of the Juncker Plan;
- The 2015 UN Climate Change Conference (COP21) has set out general principles and concrete measures that will have to be transposed on both global and EU level. Therefore:
 - In order to strengthen the Benelux position within the EU, the countries should work together and speak with one voice. This allows the Benelux to better defend their common interests at EU level;
 - The CO₂ burden should not be placed exclusively on ETS-sectors. The **BBR** believes that part of the fight against CO₂ emissions should be aligned with non-ETS sectors such as transport and (residential) heating. The competitive position of the EU industry could



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potentially be weakened if this proposal is not met. In addition, we believe that the Benelux should advocate to stick to the already complex problem of dealing with CO₂ emissions, i.e. without adding to it a Renewable Energy Source (RES) objective;

- The fight against CO₂ emissions will most likely give rise to more innovation. The BBR encourages the Benelux to contribute to this by assisting in the creation of an innovation friendly environment that stimulates creativity and allows for collaboration between parties in the three Member States.