



DEBATE ON ETD

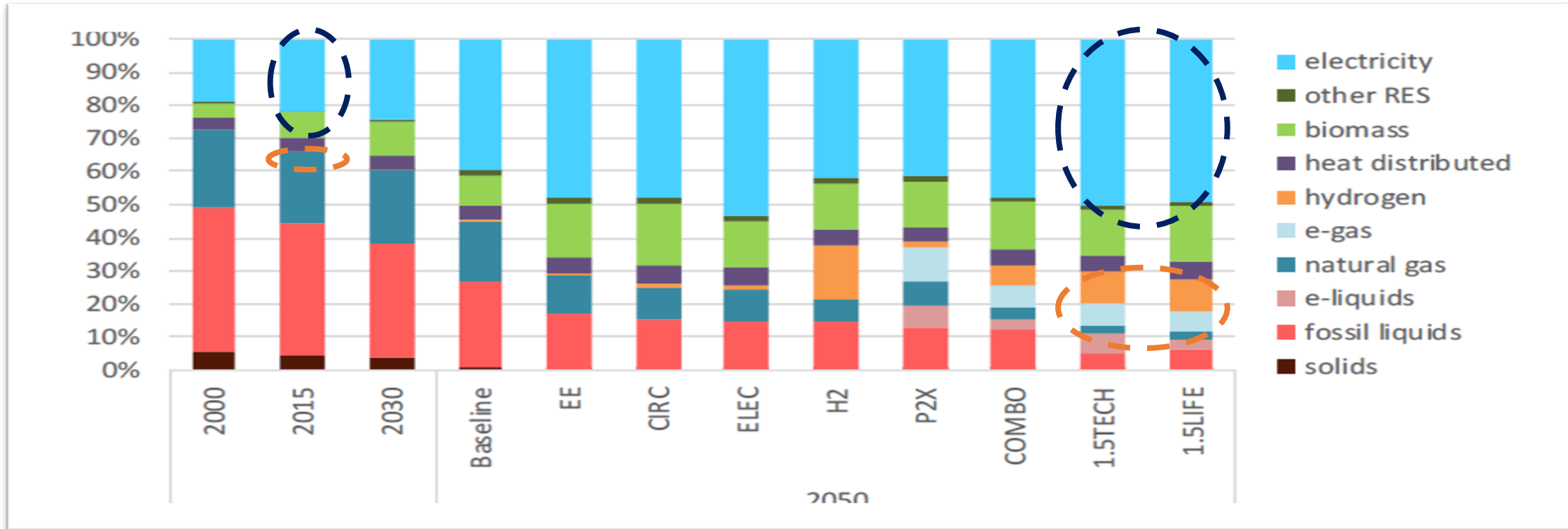
What is at stake?

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WE MUST LOOK AT THE BIG PICTURE OF LTS AND GREEN DEAL



- What do we expect from the Green Deal in 2050?
 - A dramatic increase in direct electrification from currently 22% to 50+% in most uses of energy
 - A carbon-neutral electricity well before 2050
 - An important role played by hydrogen and e-gases in hard-to-abate sectors
- Energy taxation should be in line with these objectives

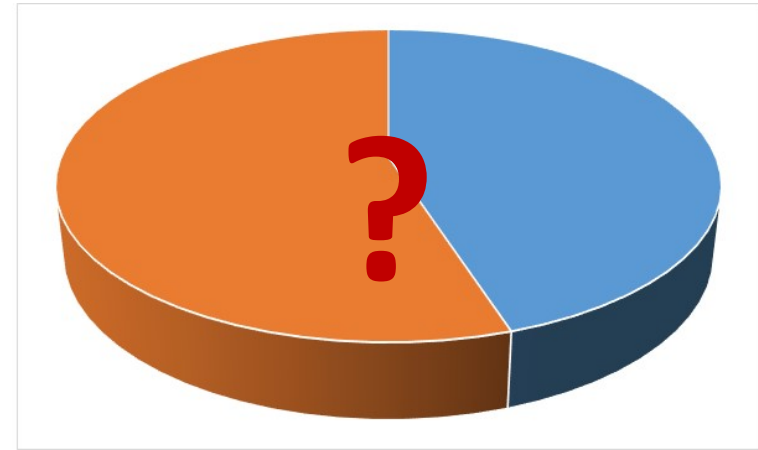
WE MUST AIM AT CONSISTENCY OF TAXATION AND ENERGY CLIMATE POLICY

■ In the structure of the tax

- De-carbonisation is priority number one.
- An energy-tax without carbon content does not make any sense in the current context
- Another reason: the Green Deal wants to foster the development of EU-based green industries. They need meaningful and predictable price-signals

■ In the balance between the different energy carriers

- Non undue advantage to fossil solutions: price signals discouraging using and investing in fossil-fuelled projects; punitive fiscalty for e- and hydrogen-mobility
- Take into account other external effects of fossil solutions: impact on air quality, methane losses
- Fair taxation of storage: storage is not a final consumption



FAIR!

WHICH OTHER RELATED QUESTIONS SHOULD BE ADDRESSED (PLENTY OF WORK FOR A THINK TANK LIKE ERCST)?

- Do you need the same level of carbon-pricing in the different sectors?

- In sectors that are not integrated in the ETS, how to reconcile using a tax and continuing with non price-based tools (energy efficiency in building, emissions targets, etc.°?)

- How can you deal with distributional effects (not only those that impact big companies?)

AND MANY OTHERS

THANK YOU!