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Helen Ltd's additional comments on the public consultation on the revision of the Energy Taxation Directive

Helen Ltd supports the revision of the Directive. As stated in the European Commission's evaluation, published in September 2019, the revision is needed to harmonize the Member States' energy taxation, support the transition towards climate neutrality and to ensure the functioning of the EU internal market by minimizing market distortions.

In general, overlapping policy measures should be avoided in energy taxation as in other policy fields. Energy taxation should complement the EU ETS and support emission reductions outside the scope of emissions trading. To this end, a tax model needs to be developed that includes an energy content component as well as a GHG emission content component.

Improving energy efficiency is an extremely important tool in reducing emissions and reaching EU's energy and climate goals. However, the ETD is not the primary legislative instrument through which this is pursued. In Helen's opinion, legislative measures that address energy efficiency should be concentrated in the Energy Efficiency Directive, which is likely to be reviewed in 2021. In the context of the ETD, establishing a direct link between emissions and energy taxation will serve in encouraging efficient energy use.

While supporting decarbonization in general, the ETD should not discourage the use of any specific energy sources, such as biomass. The sustainable use of biomass in energy production is defined by the sustainability criteria in the Renewable Energy Directive, and no additional and overlapping measures should be introduced in the ETD.

As for the sector specific questions, there is no need for differentiated tax treatment for the electricity used in electric vehicles in road transport. The main barriers for the uptake of electric vehicles lie elsewhere, such as in the insufficient charging infrastructure and the lack of well-functioning second-hand markets. Thus, tax exemptions are unlikely to speed up the transition to electrified road transport.

In contrast, stimulating the use of shore side electricity while ships are berthing or in port would directly help to reduce the emissions of maritime transport. Different incentives and/or requirements for using shore side electricity and for offering the necessary infrastructure in ports should all be considered.

Finally, Helen would like to highlight the benefits of efficient co-generation of heat and power (CHP). CHP plants achieve a high level of energy efficiency and contribute to optimizing the energy system. CHP is a flexible form of energy generation, which also minimizes the unnecessary environmental burden, keeping with the principles of circular economy. Therefore, the possibility of granting tax exemptions or reductions related to CHP generation should not be restricted in the ETD.