

Revision of the Energy taxation directive

FORATOM response to the Public Consultation

FORATOM welcomes the initiative of the European Commission to review the Energy Taxation Directive for a better alignment with EU's climate neutrality goals and bring consistency between taxation and other climate policy measures (such as the Emission Trading System as well as the Renewables Directive and Energy Efficiency Directive).

The revised Energy Taxation Directive should:

- Provide adequate incentives for investment and development in low-carbon technologies in order to boost the decarbonization of sectors such as transport and building.
- Strengthen the competitiveness of the European industry. The industry should benefit from special tax treatment for energy products or electricity used on the condition that they are produced from low-carbon energy sources.
- Support innovation for low-carbon technologies and new energy products and applications.
- Differentiate the minimum level of taxation for hydrogen based on the source of energy used. Hydrogen produced from electrolysis with low-carbon energy sources should benefit from a lower tax rate or be exempted.
- Provide equal treatment between technologies following the principle of technology neutrality. The European Commission in its "Clean Planet for All" package confirmed that nuclear will form the backbone of a carbon-free European power system, together with renewables. Indeed, not only is nuclear a low-carbon source of electricity, it is also affordable and provide half of low carbon electricity in EU.

The new Energy taxation framework must ensure that taxation on the consumption of energy products and electricity encourages the uptake of low-carbon technologies (Renewable energy, Nuclear power), which are essential for decarbonizing the transport and building sectors. At the same time, the new taxation framework must guarantee affordable access to low-carbon energy for the competitiveness of the European industry and for all European citizens.