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## Press release

### **AEBIOM welcomes the EC proposal to revise the Energy Taxation Directive**

AEBIOM welcomes and supports the EC proposal to revise the Directive 2003/96/EC on Energy Taxation. This proposal, presented today by the European Commission, is a first step towards a low carbon economy.

AEBIOM considers that the revision of this directive is a first step towards polluter pays principle that provides a good opportunity to increase the CO<sub>2</sub> taxation in the future. The minimum level of CO<sub>2</sub> taxation presented today, if implemented, would improve the competitiveness of bioenergy in the EU. At present, there are still only a few EU countries such as Sweden, Finland, Ireland and Denmark that have a CO<sub>2</sub> tax. The Swedish CO<sub>2</sub> tax, for example, is around 95 euros per tonne of CO<sub>2</sub> which is almost five times more than the proposed minimum level (20 euros per tonne) in the revision of the directive.

AEBIOM welcomes the fact that the energy tax is split into two parts: into CO<sub>2</sub> tax and energy consumption tax. It is important to ensure, however, that bioenergy fuels are exempt from both of these taxes. According to our understanding, energy consumption tax might become applicable to solid biomass for heating applications in the future (compared to 'no tax' at the present moment). We are convinced that it is not the aim of this revision to tax solid biomass fuels; however, it is indicated that "all heating fuels" are going to be taxed without specifying that bioenergy fuels would be exempt of this tax. Any taxes on renewable fuels would deteriorate the cost effectiveness of already disadvantaged green fuels, thus jeopardising urgently needed utilization of biomass for the heating sector and, therewith, the economically and ecologically necessary switch of the energy system.

AEBIOM welcomes the EC proposal to redistribute the national budgets gathered from energy taxation to substitute the labour taxation. AEBIOM thinks that member states should

be also encouraged to redistribute this budget to fund the substitution of old fossil fuels based systems into renewable energy based systems as the investments is one of the main barriers withholding many of us to switch from fossil to renewable energy.

AEBIOM expresses a hope that this revision will get a support of the European Parliament and will be agreed upon at a Council level and enter into force in 2013 as foreseen.

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