

Clean Industrial Deal

**Action Plan for
Affordable Energy**

**Omnibus Simplification
Packages**

**Assessment of the EU Commission's
recent proposals by Oesterreichs Energie**

April 2025

Clean Industrial Deal, Action Plan for Affordable Energy and the Omnibus Simplification Packages

Oesterreichs Energie, the Association of Austrian Electricity Companies, welcomes the recent publications by the European Commission linking the climate goals of the Green Deal with the enhancement of the competitiveness of European industry.

We particularly appreciate the fundamental commitment to the EU's internal electricity market. The Commission also considers further procedural accelerations necessary – faster procedures are essential for the transformation of our energy system. We would like to highlight positive developments such as progress in electrification and the importance of grid expansion. At the same time, challenges such as dependence on non-EU countries and bureaucracy are addressed. These factors increasingly burden our member companies, industry, and SMEs.

To successfully address the current challenges, we request the consideration of the following statements in the development of the measures announced:

Clean Industrial Deal

Electrification Target

- Oesterreichs Energie welcomes a further increase of the electrification rate to 32 % by 2030. Significant investments in the expansion of renewable energies (wind, PV, hydropower) and the extension of the grid infrastructure are therefore required.
- To achieve this goal, storage systems must also be integrated into the system, and flexible consumers must participate in the market.

Decarbonisation Bank

- The Decarbonisation Bank can facilitate the transition from fossil fuels by the industry. OPEX subsidies should also be considered.

Creation of Lead Markets

- By establishing lead markets for green products and new criteria in public procurement, there should be neither extreme price increases nor significantly longer delivery times.
- A careful balance between resilience, diversification, and speed of implementation must be ensured.

Training of Skilled Workers

- Competitiveness depends on skilled professionals. Therefore, the focus on ensuring expertise and innovation is welcomed.

Action Plan for Affordable Energy

Action 1: Making electricity bills more affordable

The competence to set network charges should continue to lie with national regulatory authorities in the future. Further electrification and cost-based tariffing would lead to lower network charges.

- The announcement of the "European Grid Package" sends the right signals and is welcomed by Oesterreichs Energie. Grids are an important lever for the energy transition and should be explicitly prioritised.
- Network charges have risen significantly due to grid expansion and the integration of renewable energies such as wind and PV. The electrification of various sectors (e-mobility, heat pumps, industry) has not increased to the same extent as hoped.
- A standardisation and harmonisation of network charges should be rejected due to geographical, structural, financial, and regulatory aspects. National regulatory authorities already ensure maximum efficiency in investments and network operations within the framework of incentive-based regulation.
- A reduction in electricity price components such as taxes and levies is welcomed. In particular, the adoption of the revision of the EU Energy Taxation Directive and the appeal to member states to reduce their national levies to an EU minimum.
- The evaluation of network tariffs regarding cost distribution between power and energy volume, as well as the distribution of costs among network users, should be pursued at a national level.



Forward-looking investments are essential during the transformation phase. They should therefore be easily recognised and remunerated.

- Investments are urgently needed to strengthen, digitise, and improve the observability and controllability of the physical infrastructure.
- Forward-looking investments by distribution network operators are key to a future-proof, climate-neutral, and resilient energy system. These should be considered efficient and rewarded with appropriate economic returns.
- A stable regulatory framework is required to promote anticipatory investments and set corresponding incentives.

Switching suppliers and participation in energy communities are already possible in many countries. National regulations should be considered. Grid-supportive behavior in energy communities can be rewarded and the shifting of costs to the general public should be avoided.

- Austria is a leader in setting up energy communities. These can act in a grid-supportive manner when electricity is generated and consumed within the same local grid. In such cases, a reduction in network charges can be applied. However, energy communities should not serve as a vehicle to circumvent market rules and shift costs to the general public.

Action 2: Bring down the cost of electricity supply

Power Purchase Agreements (PPAs) and other long-term contracts can serve as a hedge against price spikes and enable better integration of renewable energies. However, there is no guarantee for long-term low energy prices.

- It is important to ensure a balance between committed PPAs and sufficient free capacity in the market. If too much electricity is tied up in PPAs, scarcity signals may appear in the market.

Market interventions should only be used in exceptional cases justified by the existing electricity market design. The focus should be on measures that reduce system costs.

- The competitive market is the most efficient market design for financing system transformation. Interventions in established market and price mechanisms should be avoided. The merit-order model with pay-as-clear ensures the optimal use of available power plant capacities and sends the right scarcity price signals to market participants. This promotes demand adjustments and investments in new generation capacities while minimising CO2 emissions.
- The proposed "Iberian mechanism" for decoupling electricity and gas prices is viewed very critically, as it greatly facilitates the possibility of market interventions by member states.
- Particularly in Central European countries, which are strongly interconnected with their neighboring countries, market distortions could increase significantly.

There is a risk that subsidised electricity will flow to neighbouring countries, thereby negating the intended price-dampening effect in the home country.

- To avoid risking the expansion of renewables or planning and investment security, the existing system should be improved by completing the Energy Union rather than making massive interventions in the system.
- For the relief of the economy and support of the industry, we consider the instrument of electricity price compensation, which is already used by other member states, to be a good and helpful tool. This should strengthen competitiveness and avoid the risk of energy-intensive industries relocating to non-EU countries.

Short permitting times are key to a rapid energy transition. We welcome the fact that authorities are to be equipped with additional personnel.

- The measures announced in RED III, among others, must be implemented quickly by the member states.

The use of flexibility through grid-supportive storage and demand response should be promoted in addition to grid expansion.

- To integrate more flexibility into the system, storage and demand response can be used in a grid-supportive manner. This can reduce grid load, for example, through monetary incentives.



- To integrate more renewable energies into the system without overloading and oversizing the grid, peak shaving should be applied to PV systems and wind turbines.
- The main focus must continue to be on grid modernisation and expansion at all grid levels.

Action 3: Improve gas markets for fair energy prices

In the revision of energy and financial market regulations (MiFID/REMIT), the ancillary activity exemption for energy companies should be maintained.

- Energy suppliers are already subject to extensive regulations (REMIT, ACER, national energy regulations), environmental requirements, and grid regulation. Inclusion in all MiFID II obligations would mean a significant administrative burden without adding value to financial market stability.
- Energy trading involves high financial volumes, which primarily serve risk minimisation and ensuring security of supply, rather than purely financial interests.
- Imposing MiFID II obligations for securities firms on energy companies would bring additional requirements and thereby increase costs for energy suppliers. This could lead to higher electricity costs for households and businesses.

Action 5: Completing the Energy Union

The completion of the European internal electricity market is crucial for the energy transition.

- Oesterreichs Energie supports the integration of national markets and calls for the facilitation of grid expansion to ensure the integration of renewable energies and security of supply.
- A sufficiently dimensioned grid with large exchange capacities across bidding zone borders is indispensable.

The heating sector can contribute to efficiency improvements and cost optimisation. Therefore, the development of a heating and cooling strategy is welcomed.

- The maintenance and expansion of highly efficient combined heat and power (CHP) plants, as well as the increased sector coupling for heat generation and storage from renewable electricity, are crucial to reducing greenhouse gas emissions.
- In addition to combined heat and power, the provision of heat through heat pumps significantly contributes to the heating transition and the decarbonisation of district heating. This includes both decentralised building supply and an increased use of large heat pumps.
- Heating networks and the renovation of buildings are also essential pillars to advance efficiency and the degree of decarbonisation in the heating sector.

Action 6: A tripartite contract for affordable energy for Europe's industry

When designing the tripartite contract, investment security must be taken into account.

- The political framework conditions must remain stable. Changing regulations lead to misguided investments or prevent investments in the green transformation altogether.
- For high-risk, capital-intensive investments such as those in the energy sector, risk protection for investors in the form of guarantees or default liabilities is an important safeguard. This encourages investments that are important for the energy transition.

Actions 7 and 8: Ensuring security of supply and price crisis preparedness

Recent events (destruction of undersea cables, pipelines, transformer stations) show that critical infrastructure must be better protected.

- We would like to highlight positively that the topic of security of supply will also receive great attention in this legislative period.
- This requires targeted measures to secure critical infrastructure, as well as secured, flexible power generators that can be used to stabilise the European power grid in such scenarios.
- Thermal power plants, which can be supplied with green gases in the long term, are necessary to smooth fluctuations and stabilize the power system.
- Market interventions should only occur in exceptional cases under defined criteria and only for a limited period, so that market distortions can be avoided.

Omnibus Simplification Packages

We welcome the proposed measures to simplify reporting obligations. However, this should not lead to a weakening of the targets, as companies have prepared for the new requirements and built up resources over the years.

- The reduction of bureaucratic hurdles in the area of sustainability reporting is a positive first step. However, the goals anchored in the Green Deal must not be weakened.
- Companies have adjusted to the requirements over the years and built up the necessary competences. A reversal of the agreed goals would increase uncertainties.
- It should generally be questioned whether the regulatory purpose could also be achieved with milder means when it comes to legislative initiatives.

About Oesterreichs Energie

Oesterreichs Energie, the Association of Austrian Electricity Companies, has been working since 1953 to represent the electricity sector's interests in its interactions with political and public administrative bodies and the general public. As the first point of contact for energy-related matters, we work closely with political institutions, public authorities and associations, and provide the public with information on subjects connected with the electricity industry. The 140 or so member companies employ around 20,000 people and generate over 90 % of the power produced in Austria. They have a maximum capacity of more than 25,000 MW and generate 68 TWh of electricity a year, 72 % of which comes from renewable sources.

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