

Roadmap Public Consultation: Energy Tax Directive (ETD)

Minerals, metals and advanced materials have a central role in the green transition, e.g. in the energy and transport sector. Ensuring a sustainable supply of raw materials is crucial for Europe's industrial leadership and to achieve a climate neutral, resource efficient and competitive economy. The mining and minerals industry in Sweden has adopted a roadmap in order to reach fossil-free mining operations by 2035 and climate neutral metals and mineral processing by 2045. **In order to reach these ambitious climate targets, the current ETD remains effective and operational**, without hampering competitiveness for business, while securing access to energy and feedstock at competitive prices and at the same time supporting wider EU policy objectives such as climate. Hence Svemin does not see the need for a revision.

Different policy areas influence each other and to reach an efficient development in line with the Green Deal the combination of regulatory measures need to be complementary. At the same time, different legislation should not overlap each other. Hence each piece of legislation needs to have its well-defined purpose.

The primary objective of the ETD is to support the proper functioning of the internal market by avoiding double taxation and other distortions of trade and competition between energy sources and energy consumers and suppliers. As such, the ETD provides Member States (MS) with tools to tax energy while indirectly supporting the objectives of other energy and climate legislation.

The EU ETS is the key tool for reducing CO₂-emissions from power and process industry and hence these sectors should still not be subject to a CO₂-tax. However, to fulfil the effort sharing legislation, as well as the energy efficiency and renewable energy targets, each MS has the possibility to use the mix of instruments most suitable to them. Energy and CO₂-tax are relevant measures, but other measures are also needed, such as R&D&I support, education and market-based instruments. **The mix of instruments used to reach its climate and energy targets should still be the prerogative of each MS.**

A common EU framework is necessary for the smooth functioning of the EU energy and internal market. However, minimum energy tariffs do not exist in a large part outside of the EU where European industry have their global competitors. In order to mitigate the negative impact of energy taxation to international competitiveness, **minimum tariffs should be kept at the current level.**

Companies need a stable policy environment to be able to make long-term investment decisions. This is particularly relevant in the transition to a low-carbon economy. In this context it is **important that companies operating in highly competitive international markets remain out-of-scope as stated in article 2.4b of the ETD** to ensure a global level playing field. Similarly, **the exemptions in article 17 and 21.3 concerning energy intensive industries are important** to safeguard a level playing field at the internal market. These consistent definitions facilitate implementation and minimize costs and administrative burden for MS and businesses and pave the way for a cost-efficient green transition.

Sectoral differentiation of tax levels is an important possibility for MS to optimize their policy framework to efficiently reach their desired targets. Therefore, the current **possibility to differentiate between tax levels for industry and households is important to keep**. Such national differentiation **should not be regarded as subsidies** since its purpose is to keep a level playing field between competing sectors within the EU. We also believe that the legal basis for ETD should continue to be article 113 of the Treaty.

To ensure greater legal certainty for companies, we urge the Commission to ensure that any energy tax reductions or exemptions allowed by the ETD is automatically considered in line with state aid rules and fall under the General Block Exemption Regulation.