

BULGARIAN FEDERATION OF INDUSTRIAL ENERGY CONSUMERS



Reg. №: 601/20.01.2025

TO:

MS. TERESA RIBERA EXECUTIVE VICE PRESIDENT CLEAN, JUST AND COMPETITIVE TRANSITION

MR. DAN JØRGENSEN COMMISSIONER

ENERGY AND HOUSING

CC:

MS. DITTE JUUL JØRGENSEN DIRECTOR GENERAL DG ENERGY

MR. OLIVIER GUERSENT DIRECTOR GENERAL DG COMP

SUBJECT: Continuation of the TCTF for supporting industrial competitiveness

DEAR MS. EXECUTIVE VICE PRESIDENT, DEAR MR. COMMISSIONER ON ENERGY AND HOUSING,

The past year had been very challenging for the industry in South East Europe due to chronically high electricity prices. Those challenges have been systematically presented to DG ENERGY and DG COMP by our associations in a series of letters.

The New Year begins the same way the past ended – with electricity prices in South East Europe double those of West and Central Europe. That greatly inhibits the region's competitiveness amidst continuing fall of industrial output and industrial enterprises finding themselves in already weakened state. In Bulgaria there have already been observed temporary and permanent shut-downs of manufacturing facilities in automotive, paper, and ferrous metals, which held important significance for their geographic regions. Some of them were situated in the poorest region of North-Western Bulgaria. Many other large energy intensive industries concluded 2024 with losses and dwindling manufacturing orders.

Although all alarm bells for the competitiveness of EU's industry were rung by Draghi's report, the fundamental reasons for its loss haven't been addressed: fragmented power market as a result of insufficient interconnectedness; scarce long-term power supply for electro-intensive industries; heightened carbon leakage risk because of the region being outside border of the EU, etc. All of these reasons have been analyzed in our previous letters.

Recently, heads of government have addressed the European Commission urging undertaking measures for relieving the industry of the burden of high energy prices. The Chancellor Scholz addressed the EC President insisting that the instruments of electricity price compensation





(indirect cost compensation and grid fees relieve) must be maintained until at least 2030. The Prime Minister of Greece Mr. Mitsotakis also addressed Ms. von der Leyen outlining the problems on the power and gas markets.

All of the abovementioned highlights the need of urgent actions. That's why we continue to insist that, as part of the effort to improve industrial competitiveness, the Temporary Crisis and Transition Framework be extended in order to support the East European industry, and the EU industry as a whole, at least until the end of 2025 with option for prolongation if need be.

Sincerely,

Wolfgang Indenhuck, President, ACCER Konstantin Stamenov, Chairman of the Board, BFIEC Antonios Kontoleon, Chairman of the Board, UNICEN

January 20, 2025 Bucharest, Sofia, Athens

The Association of Energy Consumer Companies in Romania (ACCER) was founded in June 2021 and its main purpose is to determine and centralize the involvement of energy-consuming companies, thus forming a common voice of the Romanian industry, by representing and assisting members in energy-related issues. At the moment, ACCER counts 12 members, whose total cumulative volume of annual electricity and natural gas consumption represents about 31% of the specific national non-domestic consumption. ACCER is a member of the International Federation of Industrial Energy Consumers (IFIEC Europe)

The Bulgarian Federation of the Industrial Energy Consumers (BFIEC) was established in 2006 and represents the interest of the Bulgarian energy-intensive industries on the energy and environmental markets. The organisation includes 29 of the biggest energy consumers in Bulgaria that operate in the ferrous and non-ferrous, fertiliser, industrial gases, glass, cement, paper, chemical, extraction, manufacturing, and pharmaceutical industries. BFIEC's members are responsible for about 54% of the natural gas industrial consumption and about 50% of the electricity industrial consumption in Bulgaria. BFIEC is a member of the nationally represented Confederation of Employers and Industrialists in Bulgaria and co-chairs its Energy Committee. BFIEC is also a full member and a member of the Managing Board of the International Federation of Industrial Energy Consumers (IFIEC).

The Hellenic Union of Industrial Consumers of Energy (UNICEN) is a Non-Profit Non-Trading Company. It was founded in 2010 with the objective of jointly representing energy intensive industries before Greek, foreign and international bodies, authorities, organizations and companies in matters related to the energy sector. The 27 member companies of UNICEN represent the very backbone of domestic industry from various sectors, all possessing high energy intensity needs, i.e. in terms of high energy consumption per unit of product produced, such as cement, steel, non-ferrous metals, paper, fertilizers, etc. UNICEN currently represents approximately 50% of domestic industrial energy consumption.