



Mr. Günther Oettinger
Commissioner for Energy
European Commission
200 rue de la Loi
1049 Brussels

10 June 2011

Dear Commissioner,

The German government decision to phase out nuclear energy production already by 2022 could have consequences for companies throughout Europe. The European business community therefore deems it necessary that the European Commission carries out an assessment of the short- and medium-term impacts of this decision on energy costs, such as for electricity or gas, energy security and CO2 prices in Europe. While the choice of energy mix remains of course a matter of national sovereignty, the impacts of this decision could alter certain basic assumptions underlying the EU's climate and energy policies.

A study commissioned by the German Federation of Industries, which looked into the effects of an earlier nuclear phase-out by 2017, found that households, SMEs and large energy-consuming companies in Germany will have to prepare for significant increases in their energy bills in the coming years. Considering the cross-border electricity flows in Europe, such increases are likely to have repercussions beyond the German borders.

In terms of energy security, the German Federal Network Agency has warned that the simultaneous switching off of a number of nuclear power plants will be a serious challenge to the balance of the electricity grid. Large electricity consumers might be forced to shut down their production at times, which would lead to massive economic costs. Such risks should also be assessed in a European context.

Since 2005, large energy producing and consuming companies are subject to a single European price of CO2 under the EU Emission Trading Scheme (ETS). As in the short-term the shutdown of German nuclear power plants will be compensated by more emission-intensive coal- and gas-fired power plants, the price of emission allowances will increase for the approximately 11.000 companies throughout Europe, which are submitted to the ETS. Also, the indirect effects of CO2 on the electricity prices have to be taken into account.



Energy prices are on average already higher in Europe than in many of our major trading partner countries. We kindly ask for your support to mitigate this serious handicap for the competitiveness of European industry, which will be exacerbated by the German nuclear phase-out. It should be explicitly addressed in the upcoming EU Energy Roadmap 2050.

Yours sincerely,

Jürgen Thumann