



PUBLIC HEARING
on
"Towards a Common Energy Policy for Europe"

European Parliament, 27 February 2007

Who we are



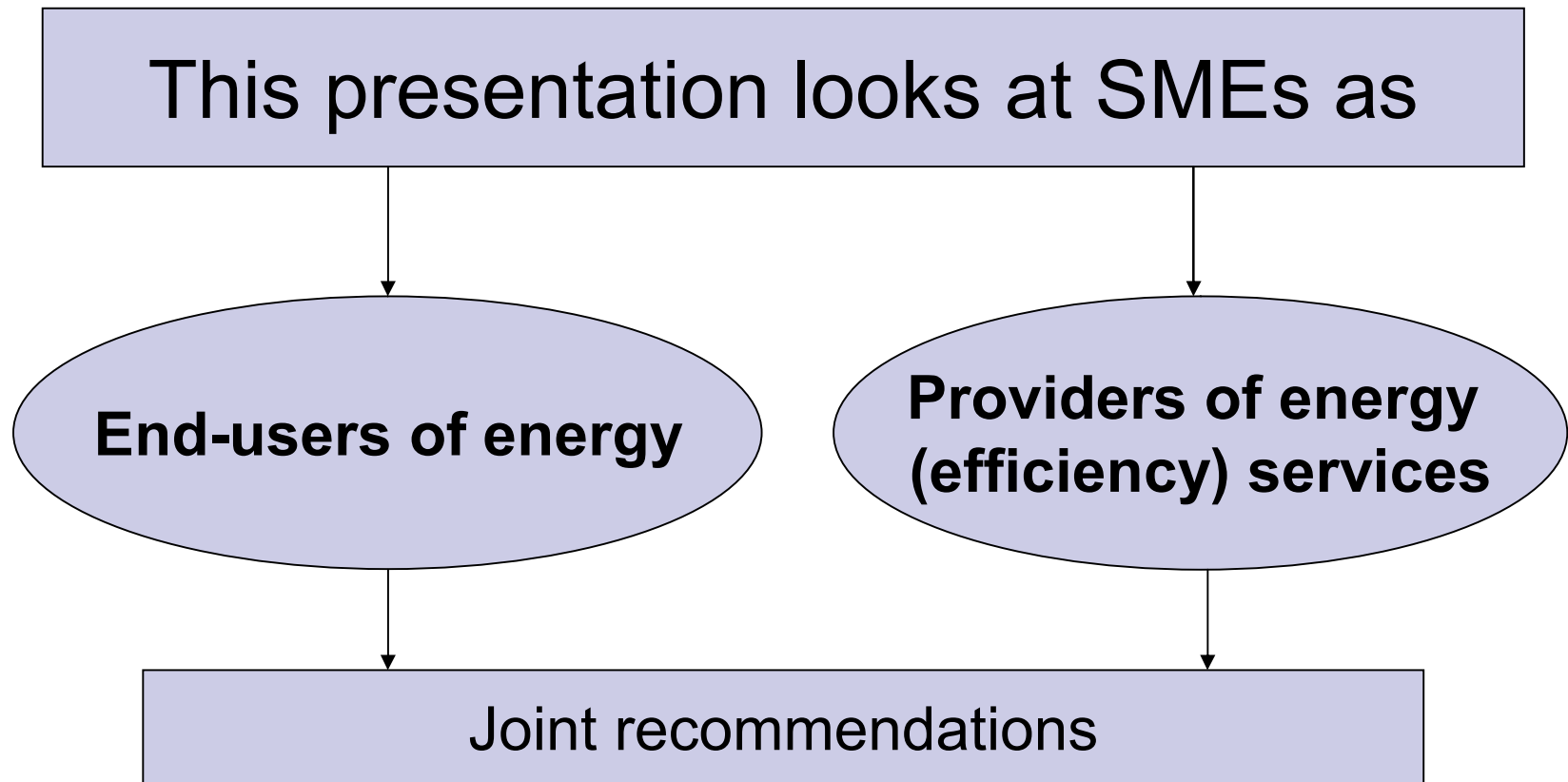
**European association of
craft and small and
Medium sized
enterprises**

representing 11.5 million enterprises with 50 million employees in 35 countries. UEAPME is a European social partner.



**European specialist
engineering contractors'
association** representing 450,000 electrical, heating, air conditioning, ventilation and plumbing contractors with 2.4 million employees and an overall turnover of about EUR 200 billion.

SMEs and the Internal Energy Markets



1. SMEs as energy end-users

Share of expenses for energy in total costs

	< 2 %	2-5 %	5-10%	> 10%
Production	30.3	33.7	16.3	13.0
Construction	35.7	40.5	9.5	7.2
Retail	27.6	40.4	4.3	21.3
Trade	34.3	20.0	8.6	17.1
Services	25.9	26.7	17.8	19.2
Total	29.6	31.3	15.1	14.9

Source: KfW Bankengruppe

SMEs pay higher energy prices

	Electricity (Euro/100 kW)		Natural gas (Euro/GJ)	
	Industry	Households	Industry	Households
DE	8.97	16.96	9.75	21.84
IT	10.90	20.00	5.97	13.67 (2004)
PL	5.33	11.64	5.54	10.90
UK	7.15	10.31	7.80	9.14

Source: Eurostat (2006)



SMEs feel excluded from the energy market

- SMEs do not benefit from the internal energy market;
- Lack of negotiating power;
- Problems to find alternative suppliers;
- Untransparent offers;
- Situation deteriorating;

2. SMEs as energy (efficiency) service providers

- Financial and market power of integrated energy companies facilitates the development of energy-related services;
- Information (such as end-user patterns) can be passed on from the energy sales to the energy services branch;
- Small independent service providers disadvantaged.

Recommendations

Generation / distribution – Transmission Services

- UEAPME and CEETB in favour of complete ownership unbundling;
- Ownership of grids can be public / private or PPP.

Strengthening regulatory power

- UEAPME in favour of a single European regulator;
- ERGEG+: doubts about achieving real independence and harmonising powers.

Investments in new capacity

- UEAPME and CEETB favour small, decentralised power generation, preferably by independent suppliers.

Recommendations - 2

Price caps (regulated prices)

- UEAPME in principle against, but removing regulated segment without guaranteeing competition will lead to monopoly prices.

Transparency of offers

- Standardising the structure and contents of offers to allow comparisons between offers (whilst allowing distributors to develop innovative formulas).

Recommendations - 3

No energy savings obligation on energy distributors

- Hampers development of independent energy (efficiency) service providers;
- If obligation, then requirement to subcontract.

Standardisation of energy-related services

- Standardisation projects on energy management systems, ESCOs, energy audits etc.;
- Avoiding disproportionate burdens for SMEs.

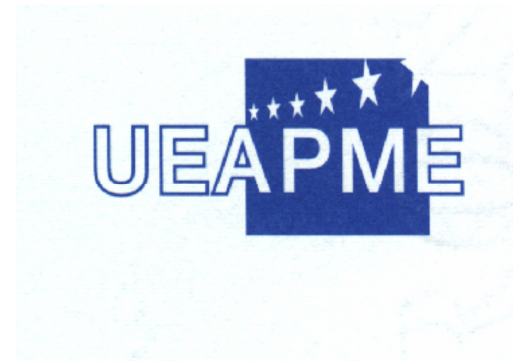


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Thank you for your attention !