

# Open letter from EU industries on electricity trading between the EU and the UK

Europe's industries are seriously challenged by high energy prices. The Draghi report highlights that the electricity prices paid by industry in Europe are 2-3 times higher than they are in the US and China. The EU's Clean Industrial Deal recognizes the scale of the problem and sets out the measures that need to be taken to tackle it.

Speed is of the essence. Policy measures to reduce energy price burdens on industrial energy consumers must be taken now. We must "deliver the Deal".

One action, not covered in the Clean Industrial Deal, which would reduce the electricity prices paid by industry in the EU is **enhanced co-operation between the EU and the UK on electricity trading** as part of wider energy collaboration across the North Sea, along with digital solutions to optimise energy consumption.

The EU and UK share the same climate targets and the same need of affordable and secure energy. They share a common commitment to digitalisation as a key enabler of the green transition. They are increasingly interconnected – with over 10 GW of electricity interconnectors linking the UK and EU and more on their way. And they share the same vision and ambition for making the North Sea a clean electricity hub for the whole of Europe. But there are major inefficiencies in the arrangements for trading electricity between them.

A recent [study by Baringa](#) has shown that the combined benefits to the EU and UK of efficient electricity trading and closer collaboration in the North Sea would be €44bn savings a year in consumer electricity bills. **As energy-consuming industries in the EU we want to reap our (significant) share of those savings asap..**

Removing barriers to electricity trading between the EU and the UK and enhancing energy collaboration across the North Sea therefore needs to be tackled as a matter of priority. And we need to boost investment in energy savings through digital solutions.

The EU-UK Trade and Cooperation Agreement recognises that, despite the UK's withdrawal from the EU Internal Energy Market and from the previous electricity trading arrangements, EU-UK electricity trading needs to be as efficient as possible to reduce costs for consumers and industries. However, there has been very limited progress towards this goal in the past 4 years. The inefficient trading mechanism in place today is adding to the burdens faced by industrial energy consumers.

**We call for the reestablishment of a system of price coupling in electricity between the EU and UK them as the most viable market mechanism.** We also call for the accelerated expansion of offshore wind in the North Sea and for the North Sea to be treated as a single energy space in which we can access all the power produced including in UK waters. This will help reduce our electricity costs and those of other power consumers.

**The parties to this letter urge the EU and UK to pursue this as a matter of urgency.**

