Press release

Brussels, 12 December 2022

Call to Energy Ministers: railways must thrive to keep EU Green Deal aims alive

As European leaders continue to work together on additional measures to tackle the energy crisis, energy prices remain volatile on the markets. Railways, as a largely electrified mode of transport, are significantly impacted by the high energy prices and face additional yearly costs estimated at €10 billion for the sector. This is causing major concern for the financial sustainability of railway operations. In view of the extraordinary Energy Council on 13 December, the Community of European Railway and Infrastructure Companies (CER) reiterates the need for low-carbon, energy-efficient rail to be supported if the EU is to achieve its climate and energy targets in 2030.

A rise in energy prices is triggering interdependent impacts on transport modes. With 80% of all passenger and freight kilometres powered with electric traction, rail is the largest single electricity customer in Europe. According to Eurostat data, railways consume approximately 50 billion kilowatt-hours of electric power per year. This corresponds to 2% of electricity available for consumption in EU27.

CER consulted railway companies in October to gather the most recent information on electricity price trends and corresponding support measures in mitigating the energy crisis. According to the survey:

- **European railways on average already pay €200/MWh for electricity**. Depending on the type of energy contract, companies have been exposed to prices up to €870 /MWh.
- **The estimated price for 2023 ranges from €300 to €400/MWh.** It has to be noted that rail freight operators are forecasting an average price of €500/MWh, which is further hampering rail's intermodal competitiveness since diesel prices experienced a relatively smaller degree of increase in the last months.
- Despite earlier sector calls, **hardly any support is available to the sector for the time being**. While a few Member States are considering State aid measures, rail undertakings are not receiving sufficient support.

The outlook is worrying and it is too costly for railway companies to secure affordable prices or any fixed short-term contracts for the time being. Without any intervention from Member States, higher electricity prices will eventually lead to diversion of rail traffic or even reverse modal shift to more energy-intensive but cheaper oil-reliant road transport, contrary to the targets of the EU Sustainable and Smart Mobility Strategy.

Moreover, with railways playing a strategic role in energy transport (as seen in the prioritisation of rail freight services in Germany or Poland), CER reiterates that railways should be protected from any demand reduction targets on energy.

CER Executive Director Alberto Mazzola said: "*We must avoid reverse modal shift, with logistics moving from less polluting to more polluting transport modes. However this is what we will get if electricity prices are not lowered for Services of General Economic Interest such* *as railways. Failure to redress the situation as a matter of urgency will jeopardise all efforts made in the last decade as well as policies formulated for 2030 and 2050 to promote the green transition of European mobility."*

Contact person

Cliona Cunningham
CER Head of Communications
E: cliona.cunningham@cer.be
M: +32 472 48 75 98

About CER

The Community of European Railway and Infrastructure Companies (CER) brings together around 70 railway undertakings, their national associations as well as infrastructure managers and vehicle leasing companies. The membership is made up of long-established bodies, new entrants and both private and public enterprises, representing 79% of the rail network length, 77% of the rail freight business and about 90% of rail passenger operations in EU, EFTA and EU accession countries. CER represents the interests of its members towards EU policymakers and transport stakeholders, advocating rail as the backbone of a competitive and sustainable transport system in Europe. For more information, visit www.cer.be or follow us on Twitter @CER_railways or LinkedIn.