COUNCIL IMPLEMENTING DECISION (EU) 2017/2409

of 18 December 2017

authorising Sweden to apply a reduced rate of excise duty on electricity consumed by households and service sector companies situated in certain areas in the North of Sweden in accordance with Article 19 of Directive 2003/96/EC

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity ([1]), and in particular Article 19 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Council Implementing Decision 2012/47/EU ([2]) authorises Sweden to apply, until 31 December 2017, a reduced rate of excise duty to electricity consumed by households and service sector companies in certain areas in the north of Sweden ('the beneficiaries') pursuant to Article 19 of Directive 2003/96/EC.

(2) By letter of 10 May 2017, Sweden requested authorisation to continue to apply a reduced rate of excise duty to electricity consumed by the beneficiaries for a further period of 6 years, until 31 December 2023. The reduction is to be limited to SEK 96 per MWh. By letter of 1 September 2017, Sweden sent additional information and clarifications.

(3) In the geographical areas concerned, the costs of heating are on average 30 % higher than in the rest of the country, due to the longer heating period. Reducing the costs of electricity for the beneficiaries narrows the gap between overall costs of heating for consumers in the north of Sweden and those borne by consumers in the rest of the country. The measure therefore contributes to achieving regional and cohesion policy objectives. The tax reduction should not exceed what is necessary to compensate for the additional per-unit costs of heating borne by the consumers in the geographical areas concerned.

(4) The reduced excise duty rates should be above the minimum rates laid down in Article 10 of Directive 2003/96/EC.

(5) The measure is not expected to lead to significant distortions of competition or changes in trade between Member States in view of: the remote nature of the areas to which it applies; the fact that the reduction should not exceed the additional costs of heating in the North of Sweden; and the limitation of the measure to households and service sector companies.

(6) Consequently, the measure is acceptable from the point of view of the proper functioning of the internal market and of the need to ensure fair competition. It is also compatible with the Union's health, environment, energy and transport policies.

(7) In light of Article 19(2) of Directive 2003/96/EC, each authorisation granted under this Article is to be strictly limited in time. In order to provide the beneficiaries with a sufficient degree of certainty, the authorisation should be granted for a period of 6 years. This Decision is without prejudice to the application of the Union rules regarding State aid.

(8) The authorisation granted under Decision 2012/47/EU should continue to apply so as to avoid creating a gap between the expiry of that Decision and the taking effect of this Decision,

([1]) OJ L 283, 31.10.2003, p. 51.
([2]) Council Implementing Decision 2012/47/EU of 24 January 2012 authorising Sweden to apply a reduced rate of taxation to electricity consumed by households and service sector companies situated in certain areas in the north of Sweden in accordance with Article 19 of Directive 2003/96/EC (OJ L 26, 28.1.2012, p. 33).

HAS ADOPTED THIS DECISION:

Article 1

1. Sweden is hereby authorised to apply a reduced rate of excise duty to electricity consumed by households and service sector companies situated in the municipalities listed in the Annex.

Such reduction from the standard national excise duty rate for electricity shall not exceed what is necessary to compensate for the extra heating costs due to the northern location, in comparison with the rest of Sweden, and shall not exceed SEK 96 per MWh.

2. The reduced rate shall comply with the requirements of Directive 2003/96/EC, and in particular with the minimum rates laid down in Article 10 thereof.

Article 2

This Decision shall take effect on the day of its notification.

It shall apply from 1 January 2018 until 31 December 2023.

Article 3

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels, 18 December 2017.

For the Council
The President
K. SIMSON

ANNEX

Regions	Municipalities
Norrbottens län	All municipalities
Västerbottens län	All municipalities
Jämtlands län	All municipalities
Västernorrlands län	Sollefteå, Ånge, Örnsköldsvik
Gävleborgs län	Ljusdal
Dalarnas län	Malung-Sälen, Mora, Orsa, Älvdalen
Värmlands län	Torsby