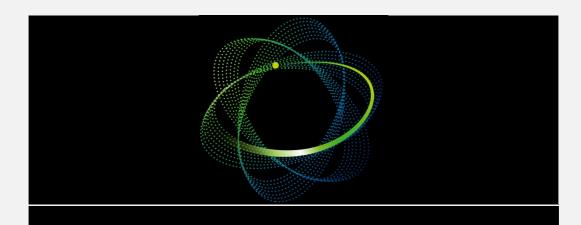
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Global Investment and Innovation Incentives

Gi³ alert

Ambitious energy policy agreements and enhanced legislation introduced to promote efficiencies in Flemish industry

The Flemish government is looking to take major steps forward in the climate and energy transition arena by enacting a new energy decree ("Energiebesluit") that will encourage companies to realise their energy saving potential, not only by reducing their carbon dioxide (CO_2) emissions, but also improving competitiveness by reducing energy costs. The government has long been focused on supporting large companies to improve the energy efficiency of their processes and reduce energy use as much as possible, but is now encouraging even more companies to concentrate on this spend, by introducing new energy management processes and increasing the scope of legislation to include additional companies.

Key provisions of the decree

Under the decree, there would be **specific energy legislation for non-energy intensive companies**, as these companies also have significant energy saving potential. With an annual energy consumption of between 5.6 Gigawatt hours (GWh) and 27.8 GWh, they consume on average as much energy as approximately 270 to 1,350 Flemish families. Up to this point, current Flemish energy regulations do not impose obligations on non-energy intensive companies to engage in energy management.

In addition to the requirement for **energy intensive companies** to have by December 2022 both a mandatory **energy plan**, and consecutive compulsory investments with an internal rate of return (IRR) higher than 13%, **non-energy intensive companies** must undergo an **energy audit** that gives them a clear

understanding of the material energy saving measures that could be realised by the company. The cost-effective measures (IRR greater than 13%) must subsequently be implemented within a period of four years. In addition, small and medium-sized enterprises (SMEs) with annual energy consumption between 5.6 GWh and 13.9 GWh must draw up a global energy balance, mapping both the company's energy consumption profile and the energy flows. These SMEs must also implement a series of individually tailored noregret measures (with a payback period of less than three years) to further increase their company's energy efficiency.

The energy audits and balances must be completed by April 2023. The aim of this strengthened legislative framework is to improve the energy efficiency of around 1,500 companies, reduce costs, and thereby contribute to achieving Flanders' energy efficiency and climate goals.

How can we assist?

Deloitte Belgium's experienced Gi³ team can provide further information on this topic and support with applications for **grants and incentives** linked to energy saving investments, guiding companies in managing these new obligations and opportunities. Please contact us for further information.

Contacts

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