



EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ENERGY

The Director-General

Brussels, 27/01/2023  
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Dear Petitioner,

Russia's unprovoked and unjustified military invasion of Ukraine and weaponisation of energy supplies has driven energy prices to unprecedented levels, triggered price volatility and energy insecurity across Europe and the world, with heavy repercussions felt by both industry and households.

We agree that this crisis calls for urgent action. The Commission has responded quickly and decisively on several fronts to protect households and industry, beginning already in October 2021 with the Energy prices toolbox. Through the REPowerEU plan adopted in May 2022, the Commission put forth a coherent set of measures to strengthen not only the response to high energy prices, but also to rapidly reduce our dependence on Russian fossil fuels through supply diversification and by accelerating the clean energy transition.

In July, the Commission adopted the 'Save Gas for a Safe Winter' Communication, and within its annex a demand reduction plan. In addition, in July, the Council adopted the Gas Demand Reduction Regulation, aiming to reduce gas demand by 15% by March 2023. In the Communication, a number of criteria were identified along which Member States should prioritise essential non-protected customers. However, given that national circumstances can vary across Member States, the Commission believes that ultimately the Member States should decide on such prioritisation. A sign of the effectiveness of these measures is that in November we registered a gas consumption decrease by around 20% compared to the 2017-2021 monthly average and filled our gas storage facilities by over 90%.

In September, the Commission proposed the Regulation on an emergency intervention to address high-energy prices, which was adopted by the Council only two weeks later. The regulation introduces a European Union-wide revenue cap for inframarginal electricity producers and a solidarity contribution on excess profits generated from activities in the oil, gas, coal and refinery sectors. The revenues can be collected by Member States and redirected to energy consumers, including industry. In order for Member States to provide rapid relief to struggling companies, the Commission also adopted a temporary state aid framework in March 2022, and extended the measure in October 2022 until December 2023.

On 18 October, the Commission went further by proposing additional measures to reduce volatility of energy prices, dampen gas prices, and ensure security of supply. The proposal builds on three main pillars: demand aggregation and joint purchasing of gas, a complementary benchmark for LNG to be ready by March 2023 as well as several provisions to increase solidarity and security of supply for all Member States. Building on the 18 October package, on 9 November the Commission adopted a proposal to speed up permitting procedures for renewable energy and on 22 November a proposal for a market correction mechanism to address episodes of excessively high prices, and

complement our structural efforts to lower prices. These emergency regulations were adopted on 22 December 2022. Consequently, we now have a full set of measures to provide more stability and to allow us to address the root causes of the current energy crisis.

As outlined above, the European Commission has presented both structural measures and emergency regulations to address high energy prices and ensure security of energy supply. The use of emergency regulations (under Article 122 of the Treaty of the Functioning of the European Union) is an exceptional measure to respond to an exceptional situation. Member States have been able to reach agreement on the Commission's proposals swiftly in the Council of the European Union acting in unity and with a sense of urgency.

The Commission continues to work vigorously to address the high energy prices and their impacts on households, small-and medium sized enterprises as well as industry. The measures taken so far contribute to ensuring that we are not only prepared for the current winter, but also for winter 2023/2024.

Yours faithfully,

*Electronically signed*

Ditte Juul Jørgensen