Resolution on getting a grip on energy prices

2008/2628(RSP) - 25/09/2008 - Text adopted by Parliament, single reading

Following the debate which took place during the sitting of 24 September 2008, the European Parliament adopted, by 491 votes to 91 with 19 abstentions, a resolution tabled by the EPP-ED, PES, ALDE and UEN groups on getting a grip on energy prices. It emphasises that unless there is a global concerted shift in energy policy and consumption, the energy demand will continue to grow in the coming decades. Parliament expresses its concern at the increase in energy prices, notably because of its negative effect on the world economy and consumers, which is also hampering the attainment of the Lisbon Strategy objectives. It underlines the necessity to take measures that will enable the EU economy to maintain its competitiveness and to adapt to the new energy price environment.

Members call for **strong political commitment** to take concrete measures towards cutting energy demand, to promote renewables and energy efficiency, and to pursue diversification of energy supply and reduce dependence on imported fossil fuels. This shift is the most appropriate response to higher energy prices, to increase stability in the energy markets, to deliver long-term cost benefits to consumers and to meet the objectives of the UN Framework Convention on Climate Change and its related Kyoto Protocol. Parliament endorses the need for those strategic measures necessarily to be followed up by commensurate financial resources in R&D.

Short-term and targeted measures should be taken by Member States to **alleviate the negative impact on the poorest households**. However, measures inducing more inflation should be avoided as they can be a detriment to public finance sustainability and neutralised by higher prices of oil. The Commission is asked to bring forward a communication on tackling energy poverty in the EU. It is asked to ensure that the proposed **Energy Consumers Charter** clearly sets out consumers' rights. The national regulatory authorities must use the powers at their disposal to help consumers.

Parliament goes on to call on the Commission to investigate the **linkage between oil and gas prices** in long-term gas contracts and to produce an adequate policy response. ECOFIN is asked to introduce reduced VAT for energy-saving goods and services.

The House stresses that **renewable energy sources**, combined with energy conservation measures, including incentives to improve household energy efficiency, reduce Europe's dependence on energy imports and thus diminish the political and economic risks resulting from these imports. It notes the increase in tax revenues on energy in some Member States due to recent oil price increases. Members underline the importance of **adequate fiscal policies**, as a means of reducing dependence on fossil fuels, addressing climate change and creating incentives for investments in energy-efficiency, renewable energy and environmentally friendly products.

The Commission is invited to present its proposal on **review of Council Directive 2003/96/EC** restructuring the Energy Tax Directive, having carefully examined the effects that taxation measures could have on inflation, new investments, and on the transition to a low-carbon and EU energy-efficient economy.

Parliament stresses that the **EU should speak with one voice** as regards energy policy, reiterating the importance of an EU common energy policy and commitment to the European Neighbourhood Policy. In this respect the EU should take the lead in the energy dialogue with key oil and gas supply countries. Members welcome the idea of a high-level summit between oil and gas consuming and producing countries, aimed at greater stability of prices, more predictability in supplies and payment for sales in euros.

EU companies are encouraged to be more proactive, by making further investments, and to take the lead in **new technology know-how** and engineering skills in order to remain key partners with the main oil producing countries. Investments are particularly needed to develop the refining and exploration capabilities in order to cope with increasing demand.

Parliament invites Member States to coordinate policy interventions in tackling the increase in energy prices. It calls on the Commission to prepare an analysis based on Member States' best practice policy measures in their response to high energy price challenges.

Lastly, it calls on the Council to reach an agreement as soon as possible on the next key steps towards achieving a fully liberalised internal energy market, as this will contribute to reducing EU vulnerability to energy prices and enhance security of supply. Parliament reaffirms in this respect its strong support for the completion of the EU internal energy market.