

Resolution on the EU's response to the increase in energy prices in Europe

2022/2830(RSP) - 05/10/2022 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the EU's response to the increase in energy prices in Europe.

The text adopted in plenary was tabled by the EPP, S&D and Renew groups.

Russia's war of aggression is having a significant impact on the EU's citizens and the economy, notably through a dramatic rise in energy and food prices, is causing immense suffering for the people of Ukraine and constitutes a direct attack on European values. Already in 2020, before the spiral of rising prices began, about 36 million Europeans were unable to keep their homes adequately warm. In addition, more than 50 million households in the EU already experience energy poverty and this major challenge will be further exacerbated by the current energy crisis.

Exceptional measures

Parliament considered that the Russian war of aggression on Ukraine and the weaponisation of fossil energy supply has dramatically exacerbated existing instability in the energy market. This situation has further increased energy prices and thus led to extremely high inflation, rising social inequalities, energy and mobility poverty, high food prices and a cost of living crisis.

Member States are called on to immediately tackle the impact of these high energy prices as well as the associated inflation on household incomes, health and well-being, particularly for the most vulnerable people, as well as on businesses, including SMEs, and the economy in general.

According to Parliament, the EU needs to act together and in a united a fashion as ever. All measures adopted at EU level to fight the energy prices crisis must be fully compatible with the Union's climate goals in the long term, including the European Green Deal, and advance the EU's open strategic autonomy. The Commission is called on to analyse the cumulative impacts of EU and national emergency measures, ensuring that they are consistent with the Union's objective of achieving climate neutrality by 2050 at the latest.

Parliament reiterated its call from May 2022 for an immediate and **full embargo** on Russian imports of oil, coal, nuclear fuel and gas, and for Nord Stream 1 and 2 to be completely abandoned.

Impact on citizens and the economy

Parliament alerted Member States that consumers that cannot afford their rising energy bills should **not be cut off** and underlined the need to **avoid home evictions** for vulnerable households that are unable to pay their bills and rental costs.

Member States are called on to:

- maintain and reinforce **public, social and cultural services** jeopardised by rising energy prices for an increasing number of people in need, including services managed by local authorities, such as social housing, public baths, education establishments and hospitals;

- introduce plans and strategies in the areas of housing, access to basic social needs, the protection of social infrastructure, critical healthcare services and financial assistance to SMEs;
- consider **exempting staple foods from VAT** throughout the entire EU for the duration of the crisis, to facilitate access to essential goods and tackle food shortages and rising housing prices;
- make full use of the existing options to **cut taxes on energy products**.

Renewables, energy efficiency and infrastructure

Parliament called on the Member States and the Commission to accelerate the deployment of renewable energy, as it is the best way to end dependency on natural gas and to meet the Union's climate commitments. They are also urged to increase support for **building renovations**, and to provide adequate funding for investments in energy efficiency measures, in particular for buildings with the poorest energy performance and the most vulnerable neighbourhoods. The Commission is urged to accelerate the deployment of **renewable energy sources**, in particular by removing administrative barriers and simplifying and accelerating permitting processes, including for households.

Parliament supports the idea, as part of REPowerEU, of **auctioning allowances** in the EU Emissions Trading System (ETS) as an exceptional measure to generate EUR 20 billion and thereby finance the infrastructure needed to make us less dependent on Russian gas and oil, including investments in renewable energy and energy efficiency.

The resolution stressed that investments in renewable energy, energy efficiency and the necessary infrastructure, including targeted, well-defined cross-border projects with investments through NextGenerationEU and REPowerEU, help the EU to achieve energy sovereignty, open strategic autonomy and energy security.

Recalling that about a quarter of the electricity and half of the low-carbon electricity in the EU is generated by nuclear energy, Parliament noted that while some Member States oppose nuclear energy, a number of Member States are preparing to **build new nuclear power stations**.

Emergency measures on the energy market

Parliament considered that companies that have benefited from windfall profits must help to mitigate the negative impacts of the crisis. It welcomed, in principle, the agreement to establish a **temporary emergency cap on market revenues** obtained from the generation and sale of electricity by using inframarginal generation technologies and to put in place a temporary solidarity contribution mechanism from the fossil fuel sector, which is benefiting from the current market situation.

The Commission is called on to analyse the need to put in place additional measures to address the crisis, including **temporary wholesale and import price caps** and to propose an appropriate **price cap on gas imports from pipelines**, primarily from Russia. Moreover, Parliament encouraged the Commission and the Council to upgrade the **EU Energy Platform** and transform it into a tool for the joint procurement of energy sources to strengthen the EU's bargaining power and lower the cost of imports.

Speculation in the energy market

Lastly, Parliament noted that the Commission recognises that Europe is experiencing manipulations of the gas market, which in turn have repercussions on electricity prices. In this regard, it called for an **end to speculation and manipulation** in the gas market.