



European  
Commission

# Tackling rising energy prices:

## A TOOLBOX FOR ACTION AND SUPPORT



OCTOBER 2021

The EU is facing a **sharp spike in energy prices**, driven by increased global demand. **Energy supply is currently not at risk** and markets expect prices to stabilise by April 2022. Under existing rules, the EU and its Member States have the tools to mitigate the effects of sudden price volatility in the energy market. The **'toolbox'** presented by the Commission will help Member States to **support consumers and industry**.

## Immediate measures to protect consumers and industry

Short-term measures must be targeted to the specific needs of consumers and industry, and be temporary in nature to reflect the expected duration of the current energy price spike.



### EMERGENCY INCOME SUPPORT AND PREVENTING DISCONNECTIONS

Member States can:

- **Make social payments to those most at risk** to help them pay their energy bills – this can be **financed with EU Emissions Trading System (ETS) revenues**
- Put in place safeguards to **avoid disconnections** from the energy grid or authorise **deferrals of bill payments** temporarily

### TAX EXEMPTIONS AND REDUCTIONS

Member States can:

- Under the Energy Taxation Directive, **temporarily exempt or apply a reduced tax rate for vulnerable households** on electricity, natural gas, coal and solid fuels



## AID TO HOUSEHOLDS AND COMPANIES

Member States can:

- Take **measures to help all energy consumers** such as direct support for a defined minimum consumption per household or inhabitant
- Take **targeted support measures to help industries** to adapt, in full compliance with the state aid framework, not distorting competition or interfering with the EU ETS



## ENHANCED COOPERATION AND EU LEVEL MONITORING

The Commission will:

- Investigate possible **anti-competitive behaviour** in the energy market.
- Ask the European Securities and Markets Authority (ESMA), which is the coordinator of the national financial authorities, to **enhance monitoring of the European carbon market developments**
- **Enhance international energy outreach** to ensure the transparency, liquidity and flexibility of international markets

## Structural medium-term measures

A number of medium-term measures can be implemented to avoid future price surges, to further integrate the market, empower consumers and decarbonise the energy system.



## A RESILIENT EU ENERGY SYSTEM

The Commission will:

- **Consider revising the security of supply regulation** to make it fit for growing uptake of renewable gases and ensure a better use and functioning of gas storage across the Single Market
  - Support the **development of future-proof energy storage** as a key flexibility tool, in the short- and medium-term
  - Explore the potential benefits and design of **voluntary joint procurement by Member States of gas stocks**
- Ask European energy regulators (ACER) to **assess the wholesale electricity market design** in comparison to alternative market models, and propose recommendations to the Commission where relevant

## PROTECTING AND EMPOWERING END USERS

Member States can:

- **Support consumer empowerment** providing consumers with information and options on how they can participate in the energy market, for example with **faster and easier switching of suppliers**
- Further **boost the role of consumers in the energy market**, by empowering them to switch suppliers, receive advice about how to reduce energy consumption and bills, generate their own electricity, and join energy communities.



## STEPPING UP INVESTMENTS IN THE GREEN TRANSITION



Member States should:

- **Step up investments in renewable energy, renovations and energy efficiency and speed up renewables auctions and permitting processes**
- **Step up investments in trans-European networks**, including interconnectors, storage and transmission and distribution grids

The Commission will:

- Issue **guidance on accelerate permitting processes** for renewable energy
- Help Member States to **make the best use of EU financial resources** in the EU budget and NextGenerationEU
- Complete the revision of the **Energy and Environmental State Aid Guidelines (EEAG)**, facilitating energy efficiency and renewables investments

