



EUROPEAN COMMISSION

Brussels, 8.4.2022
C(2022) 2383 final

Dear President,

The European Commission would like to thank the Senát for its opinion on the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions Tackling rising energy prices: a toolbox for action and support {COM(2021) 660 final}.

The Commission is concerned about the increase in energy prices. It is closely monitoring the situation and developments across the EU and engages regularly in exchanges with Member States, including at the level of the European Council and the Energy Council.

Energy prices remain high and volatile. Their rise in the EU was triggered mainly by a strong demand increase of natural gas on global markets. In the current context of war in Ukraine gas prices in Europe have surged and become particularly volatile.

On 13 October 2021, the Commission provided an overview of the measures (a 'toolbox') in line with single market rules to address the impact of rising prices on European citizens and businesses. On 15 December 2021, as a follow up to the 'toolbox', the Commission also presented a revision of legislation for hydrogen and decarbonised gas markets, including new measures to enhance security of supply like voluntary joint gas reserves. These measures should help enhance the EU energy system's resilience while facilitating the wider use of (cheaper) renewable gases in Europe. Consumers are at the centre of the EU's energy policy. The EU needs to ensure in particular the protection of vulnerable consumers.

Within the boundaries of EU law, in particular internal energy market and State aid rules, each Member State should implement the measures that best fit its situation and needs in this respect.

The Commission adopted on 8 March 2022 a Communication on REPowerEU, proposing additional measures to mitigate high prices for consumers and to support the most exposed undertakings, and improve our preparedness for the next heating season. The Commission provided guidance to Member States on how to make use of the flexibilities offered by Article 5 of the Electricity Directive regarding the setting of regulated prices at retail level, as well

*Miloš Vystrčil
President of the Senát
Valdštejnské náměstí 17/4
CZ – 118 01 PRAGUE 1*

as guidance for those Member States willing to tax electricity generators with excess gains. The Commission also announced a Temporary Crisis Framework allowing Member States to offer liquidity support for all undertakings directly or indirectly affected by the crisis and aid to undertakings, in particular energy-intensive consumers, to compensate for part of their increase in energy costs due to the price shock since the Russian invasion.

Furthermore, the Commission stands ready to propose a REPowerEU plan aiming at phasing out our dependence on fossil fuels from Russia well before 2030.

The current war in Ukraine has indeed shown that we need more than ever to push the energy transition forward, reducing EU's dependence on imported fossil fuels while protecting the most vulnerable consumers. In the Commission's view, there is no viable alternative in the future. In this sense, the Commission considers that the reference to 'resources available' in point 8 of the Senát's opinion should not amount to taking decisions that reverse the energy transition. Likewise, contrary to the Senát's suggestion, the EU Emissions Trading System (ETS) should not be suspended. The ETS contributes far less to the increase in electricity bills than increased commodity prices. In fact, ETS revenues are widely used to mitigate the impacts of the energy price rise, while at the same time providing crucial economic incentives to reduce our dependence on polluting and expensive fossil fuels. The Fit for 55 package remains a priority also as a means to ensure access to secure and affordable energy and to strengthen EU strategic autonomy.

The Commission hopes that these comments address the concerns raised by the Senát and looks forward to continuing our political dialogue.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Kadri Simson
Member of the Commission*