



Plenary sitting

B9-0421/2022

28.9.2022

MOTION FOR A RESOLUTION

to wind up the debate on the statements by the Council and the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on the EU's response to the increase in energy prices in Europe
(2022/2830(RSP))

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on behalf of the Verts/ALE Group

B9-0421/2022

**European Parliament resolution on the EU's response to the increase in energy prices in Europe
(2022/2830(RSP))**

The European Parliament,

- having regard to the statements by the Council and the Commission of 13 September 2022 on an EU response to the increase in energy prices in Europe,
 - having regard to Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law')¹,
 - having regard to its resolution of 21 January 2021 on access to decent and affordable housing for all²,
 - having regard to Rule 132(2) of its Rules of Procedure,
- A. whereas the European Parliament has condemned Russia's illegal, unjustified and unprovoked war against Ukraine and its dramatic consequences on several occasions;
- B. whereas Parliament has also expressed concern about the consequences of the war for people not only in Ukraine, but also in the EU Member States, in particular the rise in social inequality, the sharp increase in energy poverty and inflation, leading to significant impacts on employment and food prices; whereas climate change is exacerbating this situation and aggravating inequalities by hitting the poorest the hardest;
- C. whereas energy prices for households have soared dramatically, notably electricity prices, which have increased by up to 167 % for people in EU countries and which have been magnified by the steep rise in nuclear power plant unavailability in France; whereas it is estimated that energy bills for European households will surge by EUR 2 trillion at their peak early next year; whereas households under pressure to make ends meet during the multiple crises are falling behind in their payments and having their energy supply cut off;
- D. whereas consumer price inflation in the euro area has reached levels not seen since the 1970s in many countries, standing at 9.1 % in August 2022, of which 38.3 % is directly due to fossil energy price rises and 10.6 % to food price rises; whereas the Baltic states have been the worst hit by inflation in the EU, in particular Estonia at 25.2 %, Lithuania at 21.1 % and Latvia at 21.4 % compared to a year ago;
- E. whereas many companies, especially small and medium-sized enterprises (SMEs),

¹ OJ L 243, 9.7.2021, p. 1.

² OJ C 456, 10.11.2021, p. 145.

heavily impacted by the rising energy prices, are not able to pass on their rising energy costs to their customers and are put at risk of bankruptcy by the soaring energy prices;

- F. whereas public, social and cultural services such as hospitals, universities and schools are also deeply affected by the rise in energy prices, as well as EU local authorities which are often in charge of key services provided to EU citizens;
- G. whereas more than 96.5 million Europeans are at risk of poverty and social exclusion, which represents 21.9 % of the population.; whereas these numbers have further increased as a consequence of spiralling energy prices and climate change;
- H. whereas women are disproportionately affected by energy poverty and mobility poverty, in particular single mothers, who represent 85 % of single parents; whereas the dependent children of single-parent families have a particularly high risk of child poverty;
- I. whereas the global food market was already heavily disrupted by the COVID-19 pandemic, the energy crisis and adverse climate events; whereas according to the United Nations, world food prices have hit a record high and have risen over 24 % in a year;
- J. whereas farmers' production costs in certain sectors have been chronically undercovered for years, notably in the dairy sector; whereas inflation in farmers' input and production costs has been concerning, particularly for energy, fertiliser and feed; whereas one significant factor in these price rises is the current over-reliance on imported gas, including from Russia, to synthesise nitrogen-based fertilisers in a highly energy intensive process responsible for 2 % of greenhouse gas emissions;
- K. whereas the Universal Declaration of Human Rights recognises the right to food as a human right; whereas Sustainable Development Goal 7 is to 'ensure access to affordable, reliable, sustainable and modern energy for all'; whereas the best energy is that which is not used; whereas guaranteeing the right to energy requires a reduction in our consumption of fossil fuels so as to enable us to share this energy more easily and keep prices at an acceptable level;
- L. whereas all Member States provide for some form of minimum income scheme, yet most fail to guarantee the individuals concerned a decent standard of living so that they can make ends meet, which highlights the need to improve such schemes to combat poverty and social exclusion;
- M. whereas there are already social inequalities within the labour market and those who already bear those costs will inevitably suffer the most;
- N. whereas Russia's war against Ukraine highlights the need to update the EU energy market and EU energy policy to eliminate dependence on fossil energy imports and fossil fuels in general, in particular from authoritarian regimes; whereas the Commission³ and several Member States have underlined the need to reduce

³ Commission green paper entitled 'Towards a European strategy for the security of energy supply' (COM(2000)0769).

dependency on Russian fossil fuels; whereas several Member States are currently working with Russia in the nuclear field and the EU is dependent on Russian supplies of both uranium and uranium enrichment services, as well as its role in nuclear waste treatment;

- O. whereas the Commission and the Member States are currently looking to diversify their oil and gas imports, without regard for the human rights situation in fossil fuel-exporting countries such as Azerbaijan and Qatar; whereas EU addiction to fossil fuels is leading not only to new dependencies on non-EU countries, but also to renewed geopolitical tensions and an increased risk of conflict in the Mediterranean sea, Uganda and West Africa, as well as causing more catastrophic damage to the environment, such as through extraction in the Congo basin wetlands and shale gas fracking in the United States;
- P. whereas Parliament adopted its negotiation mandate for higher targets of at least a 45 % share of renewables in the energy mix and 14.5% energy efficiency by 2030; whereas renewables, especially solar and wind energy, are currently the most cost effective energy source and are key to an environmentally sustainable system within planetary boundaries;
- Q. whereas the Commission and the Member States announced plans to regain Europe's energy sovereignty, to reduce EU fossil gas demand by 62 % by 2030 compared to 2019 levels, in order to save energy and costs and in line with the EU's climate targets, to increase ambition for renewable energy deployment and savings, to double the pace of the roll-out of heat pumps, to ramp up renewable-based electrification, and to increase ambition for renewable hydrogen by 2030; whereas the combined effect of these measures will result in a significantly lower fossil gas demand and shrinking infrastructure, requiring a structural rethink of the energy market;
- R. whereas the Clean Energy for All Europeans package introduces key provisions for the democratisation of the energy system, including the right of citizens and energy communities to produce, store and sell self-produced renewable energy and provide energy efficiency services; whereas this will help to shield consumers from high energy prices; whereas ensuring a market price-setting mechanism that favours price signals triggers additional investments in lowest-cost technologies such as renewables, in energy efficiency and demand-response technologies to shift and reduce energy demand, and in storage and power-to-X technologies to achieve a flexible and climate-neutral energy system at the lowest costs; whereas individual unilateral changes made by Member States distort the energy market and lead to false incentives;
- S. whereas the large increases in energy firms' profit margins indicate that they are raising energy prices well beyond any level that could be justified by their own cost increase; whereas speculative activity, mainly by financial companies such as hedge funds, has been contributing to driving up prices even further; whereas several economic actors have profited from Russia's war in Ukraine on the back of households and society as a whole; whereas reports show that companies favour short-term dividend policies over investment in the transition;
- T. whereas the new EU framework to decarbonise gas markets, promote hydrogen and

reduce methane emissions was designed and proposed before Russia's illegal, unprovoked and unjustified war of aggression against Ukraine; whereas assumptions made in impact assessments and legal proposals were also based on the availability of abundant, reliable, affordable and cheap Russian fossil gas; whereas the ongoing review provides a key opportunity to strengthen consumer rights and protection, enabling the phase-out of fossil gas and the steering of renewable-based hydrogen towards those applications and sectors that cannot be directly electrified;

- U. whereas the International Energy Agency warned in a 2021 report that new oil and gas development must be stopped immediately; stresses that the latest Intergovernmental Panel on Climate Change report of April 2022 indicates that new fossil fuel infrastructure is incompatible with international climate goals; whereas achieving climate neutrality by 2050 at the latest requires the phasing-out of fossil fuels in the energy system by 2035 at the latest; whereas a quicker transition will help to limit 'climateflation' and protect people from higher prices;

Immediate action to address high energy prices

1. Condemns in the strongest possible way the Russian Federation's war of aggression against Ukraine, which has had devastating consequences, including the ultimate sacrifice paid by thousands of Ukrainian people; calls for an immediate and full embargo on Russian imports of fossil fuels and uranium, and for the Nord Stream 1 and 2 pipelines to be completely abandoned, in order to stop financing Putin's war machine using EU money;
2. Deplores the impact of the 'weaponisation' of Russian gas supplies on households and companies, which are facing high energy prices, rising social inequalities, energy and mobility poverty, and increased inflation, leading to unemployment, high food prices and a general cost of living crisis; urges Member States and the Commission to focus efforts and resources on the protection of those hardest hit by the current prices, notably households at risk of or in energy poverty;
3. Urges Member States to immediately provide households with a basic amount of energy at an affordable price, to adopt measures to ban disconnection from the energy supply and to stop evictions from homes; calls on Member States to stimulate investments corresponding to at least 1 % of their GDP in energy savings, notably also in the renovation of poorly insulated homes and renewable energy for the benefit of vulnerable households; urges Member States to ensure access to alternative and delayed payment plans for bills, dispute settlement, mediation and ombuds services for final consumers; calls for the suspension of national rent indexation schemes, where applicable;
4. Deplores the fact that multinational companies have profited from the consequences of war and market speculation to the detriment of people in the EU and calls on the Commission and Member States to return the excess profits through a European windfall tax; underlines that the collected tax revenue must be distributed fairly among people in the EU to projects restoring social and environmental justice;

Combating energy poverty by prioritising energy efficiency, energy savings and renewables

5. Calls on Member States to urgently support public services affected by the rising energy prices and whose availability for all in need may decrease as a result, including those managed by local authorities, such as social housing, education establishments and hospitals;
6. Demands that Member States provide temporary direct income support to vulnerable households and vulnerable transport users affected by energy poverty and mobility poverty, as a transitional measure to absorb the increase in prices; urges Member States to invest at least as much in long-lasting measures, such as energy savings, public transport infrastructure and renewables, as in short-term relief, to effectively lift people out of energy and mobility poverty;
7. Welcomes legislation aimed at reducing fossil gas electricity use and makes the case for bold and binding energy efficiency and savings policies; condemns, however, the fact that some Member States have opted to replace gas with other fossil fuels, rather than reducing overall consumption;
8. Regrets the fact that Parliament has not been involved in the latest legislative measures on the energy price crisis, despite its role as co-legislator representing EU citizens, its early involvement in the topic and its proven track record of swiftly adopting positions in emergency situations;
9. Calls for a ‘energy and climate crisis policy framework’ on the prohibition of non-essential energy use, such as the use of private jets, short-haul flights and electrically powered advertisements;
10. Notes with concern that the unavailability of nuclear energy is also driving up prices, which makes the case for the complete abandonment of the respective nuclear plants;

A more redistributive taxation system

11. Calls for a review of the EU fiscal rules that actively encourages spending that supports the achievement of social and environmental targets; calls for the application of green budgeting tools for public expenditure and revenue; calls for the new framework to take a long-term perspective and consider sustainability and fiscal risks deriving from climate change when assessing the debt sustainability of countries;
12. Recalls the important redistributive function of taxation; notes that higher taxes constitute less inflationary pressure compared to higher deficits; urges the Council to adopt immediately the Global Minimum Tax Directive implementing the global tax deal; calls on the Member States not to water down the UNSHELL Directive and the revision of the Energy Taxation Directive⁴;
13. Strongly supports the idea of taxing windfall profits made by multinational companies; welcomes the solidarity contribution established in the proposed Council regulation on an emergency intervention to address high energy prices; criticises the current weaknesses in the design of the contribution, such as its limited scope in terms of

⁴ OJ L 283, 31.10.2003, p. 51.

sectors and activities and its temporary nature; underlines that the Social Climate Fund model of distributing revenue should be used to reach the most vulnerable; argues that the solidarity contribution would be more effective and generate more revenue if it took into account worldwide consolidated profits and were set at a 50 % tax rate; calls on the Commission and the Member States to further strengthen the proposal at EU and national level by expanding its scope and redistributing profits made by multinational companies fairly among Member States, in a spirit of EU solidarity; calls on the Commission to propose a permanent windfall profit tax on large companies across all sectors;

14. Urges the European Central Bank (ECB) to stop banks from making windfall gains through a combination of cheap liquidity and higher deposit rates; stresses that it is unacceptable that the ECB is providing banks with taxpayer-backed profits, while the borrowing costs of all other companies and households are set to increase significantly and people are struggling to pay their energy bills; recalls that the ECB cannot use its monetary policy tools to bring down energy prices;
15. Questions the ECB's decision to hike interest rates as this will not have an impact on energy prices, but risks triggering or aggravating the looming recession while increasing unemployment; stresses that the fossil-driven inflation has been affecting the ability of the ECB to deliver on its mandate to maintain price stability; calls on the ECB to acknowledge this link and immediately stop indirectly subsidising brown companies in its long-term refinancing operations and through asset purchases;
16. Calls on the Member States to apply the solidarity contribution in 2022 and 2023 and to use the revenue generated to support households at risk of or in energy poverty, as well as for investments in renewable energy and energy efficiency measures;

Necessary investments in energy savings and renewable energy

17. Recommends investments in both energy efficiency and renewables as first choice solutions to fight high energy prices and dependencies, as renewable energy generation facilities, once installed, have almost no or comparatively low operating costs; urges the Commission and the Member States to create an EU instrument to address the climate emergency and fossil fuel price crisis by fostering investment in energy savings, renovation and renewables; demands that the Commission assess levers for large European companies to invest and contribute to an accelerated energy transition and sustainability at large; invites the Commission and the Member States to swiftly adopt and implement the Corporate Sustainability Due Diligence Directive;
18. Calls on the Member States to create at least one renewable energy community per municipality by 2023 so that citizens can produce, consume, store and resell their own renewable energy as individuals or communities;
19. Calls for mandatory and higher gas and electricity consumption reduction targets as an immediate response to the energy crisis; calls for binding national energy efficiency targets, a binding EU energy efficiency target of at least 20 % and a binding renewable energy target of at least 56 % by 2030;
20. Calls for the Commission to ensure that any support measures and investments are

consistent with the technical criteria established in the framework of Regulation (EU) 2020/852⁵, respect the ‘do no significant harm’ principle, and safeguard social and labour rights;

21. Urges Member States to immediately ban the installation of fossil fuel boilers in buildings and stop related support schemes in order to shield households and businesses from high and volatile energy bills;
22. Opposes investments in additional gas and oil infrastructure, as they are not in line with EU climate targets and would lock in fossil fuel use and dependency; stresses, therefore, that the Recovery and Resilience Facility should not be used to finance new fossil fuel infrastructure;

Priorities for energy market reform

23. Underlines that any reform of the EU energy market must put people at its centre, adopt a sector-coupling approach, i.e. modelling electricity, gas, heating and cooling, transport and energy efficiency together, so as to promote a resource- and cost-efficient and socially just ecological transition towards a highly energy-efficient and fully renewable-based economy by 2040 at the latest, in doing so ensuring the achievement of a climate-neutral Europe, and be based on the principles of solidarity, cohesion, equity and justice between Member States, regions and generations;
24. Welcomes the creation of a common EU gas purchasing platform; underlines that any purchasing agreements need to be in line with EU climate targets for the quantity and duration of deliveries in order to achieve the fossil fuel phase-out by 2035 at the latest;
25. Supports continued efforts to deploy a price cap on gas imports regardless of their origin, alongside mandatory electricity and gas reduction targets at Member State and EU level; encourages the Commission and the Member States to urgently engage with their partners in gas-exporting countries to find suitable pricing mechanisms delinked from geopolitical tensions and speculative commodity markets;
26. Calls for the negotiators of the ‘gas package’ to create a system dedicating renewable hydrogen to hard-to-abate sectors; urges the creation of an independent body to eliminate the current conflict of interests in the planning process; calls for the planning process to be long-term, integrated and science-based in line with the climate objectives; calls on the Member States and the Commission to draw up a decommissioning plan for fossil infrastructure in line with the fossil fuel phase-out from the energy system by 2035;
27. Demands that the Commission analyse whether additional measures are necessary in the new context and, following the REPowerEU proposals, reduce fossil gas demand by more than 60 % by 2030; underlines the need to adequately consider hydrogen volumes, costs and applications against the backdrop of high fossil gas prices; underscores its

⁵ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13).

position that only renewable hydrogen, exclusively derived from additional renewable production capacities, will play a role in decarbonising processes, such as in high-temperature industrial applications and hard-to-abate long-haul transport;

28. Opposes the further energy cost increases for households and SMEs that would arise from direct or cross subsidisation of fossil gas and fossil hydrogen infrastructure, which should become sunk investments in a climate-neutral Europe; urges the Member States and the Commission to put a stronger focus on the downsizing of gas networks in order to protect the remaining gas users from paying for an oversized network, as well as shielding consumers from rising tariffs during the fossil fuel phase-out;
29. Points to problems with speculation on commodity markets in general and on fossil gas forward markets in particular; deplores the lack of market surveillance and monitoring, as well as of strict regulatory oversight of gas commodity trading; calls for increased transparency and regulatory oversight of market-based and over-the-counter gas trading to reduce market vulnerability, price speculation and spiralling bids;
30. Suggests seizing the opportunity presented by the current revision of the Markets in Financial Instruments Directive⁶ (MiFID II) and Regulation⁷ (MiFIR) to empower the European Securities and Markets Authority by granting it market monitoring and surveillance capacities and to enhance and further harmonise the existing tools for stopping excessive price volatility, such as circuit breakers;
31. Supports measures such as the cancelling of the highest and lowest bids to keep commodity trading within margins linked to real prices and availabilities; calls on the relevant competent authority to investigate, report and address possible cases of market abuse or market manipulation in commodity markets in general and in the gas market in particular;
32. Calls on the Commission and the Member States to empower households to fully participate in and reap adequate benefits from the energy transition; calls on the Commission and the Member States to lift existing administrative barriers to further accelerate the deployment of renewables by means of a swift permitting process, with due regard for public participation and environmental impact assessment procedures;
33. Expresses concern that many Member States have not yet transposed or have poorly transposed the rights of renewable self-consumers and renewable energy communities; urges the Commission to swiftly launch infringement procedures and to provide guidance on defining energy communities in national law;
34. Highlights the multiple benefits of power purchasing agreements and contracts for difference for renewable energy, as well as adequate price signals to reward new investments in capacity, flexibility, efficiency and infrastructure; calls on Member States to ensure access to all energy markets for demand-response and storage-solution

⁶ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (OJ L 173, 12.6.2014, p. 349).

⁷ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (OJ L 173, 12.6.2014, p. 84).

providers and to dynamic tariffs remunerating flexibility for households wishing to participate in and operate such schemes, tariffs and devices;

35. Calls on Member States to refer to the European resource adequacy assessment and EU rules on capacity mechanisms to ensure the least expensive and most socially beneficial transition to a fully renewable energy system;
36. Highlights the need to revise the State aid guidelines on climate, energy and environmental protection in line with the objectives of increasing renewable and energy efficiency investment;

Broader social considerations

37. Calls for a package of measures and means to strengthen social welfare and social protection systems in the EU, including the continuation and refinancing of SURE (Support to mitigate Unemployment Risks in an Emergency); calls, in addition, for the swift adoption of the Social Climate Fund;
38. Urges the Member States to swiftly transpose the Minimum Wage Directive and to adjust levels in line with the increase in the cost of living; calls on the Commission and the Member States to ensure the participation of workers in the development of crisis measures by strengthening social dialogue, including by increasing collective bargaining coverage to 80 %; calls for the development of job and income protection schemes, which ensure that loans to undertakings are conditioned on the retention of jobs and incomes;
39. Reiterates the need to establish a minimum income scheme to combat poverty and social exclusion; urges the Commission to propose an EU directive on adequate minimum income established across the EU and set to at least 60 % of the median income (the at-risk-of-poverty rate) in each country, to safeguard the right to a decent life and to eradicate poverty by binding Member States legally to such a commitment; underlines that every person in Europe has the right to a minimum level of income and access to essential goods and services, especially those unable to enter the labour market;
40. Calls on the Commission and the Member States to ensure conformity with international standards; welcomes the Extractive Industries Transparency Initiative, and calls on the Commission and the Member States for increased support for and involvement in this initiative;
41. Calls on the Commission and the Member States to ensure access to decent and affordable housing for all; warns of the impact of the ongoing war on global food supply chains and food prices; highlights the adopted increased minimum allocation for social inclusion measures in the new European Social Fund (ESF+), as well as the additional 3 % for measures within the Fund for European Aid to the Most Deprived;

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42. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.