



Energy Council, 9 September 2022

Extraordinary TTE (Energy) Council Meeting

Presidency Summary

1. The TTE Energy Council met on 9 September 2022 in Brussels to address the extraordinary situation of energy prices in the EU and to agree to swiftly advance work on possible emergency measures to mitigate current high prices and support demand reduction for gas and electricity to strengthen EU's winter preparedness.
2. Ministers reviewed the state of play of electricity and gas prices in Europe, taking note of the Commission's analysis and the latest developments during the summer months. The situation of gas and electricity prices has considerably worsened over the last weeks. The EU is now experiencing tight electricity markets. This is predominantly due to the impact of the Russia's war against Ukraine and related gas supply disruptions and increase of gas prices. Simultaneously, electricity generation capacity in the EU has been significantly lower than usual in the last months due in particular to the shortfall of nuclear power and hydropower. Against this background, Ministers agree that the current levels of electricity and gas prices put pressure on the inflation and the EU economy, threatening the competitiveness of the European companies and creating social tensions.
3. In view of the gravity of the situation, the Ministers emphasize the need for coordinated European action, both in terms of short-term exceptional emergency measures, and medium/longer-term adjustments to the market framework.
4. Regarding short-term exceptional emergency measures, Ministers agree that immediate action has to be taken. Such emergency interventions should be temporary, preserve the fundamentals of the internal energy market and cross-border trade, ensure the EU's security of supply, alleviate pressure on customers and be consistent with the current efforts to reduce gas demand.
5. In this respect, Ministers
 - a. Invite the Commission to propose exceptional interventions by mid-September that could limit the impact of high gas prices on electricity on the EU electricity wholesale markets and customers. Such measures should aim at benefiting European consumers in order to alleviate social and economic consequences of



- the current high energy prices, and European companies in order not to endanger their competitiveness, while preserving the incentive to reduce gas and electricity.
- b. Invite the Commission to present by mid-September new initiatives for coordinated electricity-demand reduction measures across the EU in order to relieve pressure on electricity generation and to address energy scarcity and high energy prices.
 - c. Also express concern about the impact of surging prices on the financial stability of energy operators and their ability to trade in the market. Emergency liquidity instruments should be deployed. Ministers therefore invite the Commission to ensure that a level playing field is protected at EU level, including the case for EU specific measures.
 - d. Invite the Commission to look into options of how to make use of the EU ETS in addressing current high electricity price, while reiterating their commitments to cost-effectively meet our commonly agreed GHG emission reduction targets, and also to note the role of the Market Stability Reserve.
6. Concerning medium/longer-term adjustments, Ministers invite the Commission to swiftly pursue the ongoing work on the reform of the electricity market and to propose adjustments to the functioning of electricity markets supported by an impact assessment as soon as possible.
 7. Ministers also take stock of the improved situation of gas storage and preparedness in Europe. The EU has already significant gas storages that are now filled [at 80.8 %] of capacity, which should, together with the solidarity mechanism in place, and the recently adopted Gas Demand reduction Regulation contribute to a safe winter and reduce the need for additional gas imports in the coming months.
 8. At the same time, Ministers note with concern the decision of Russia to stop gas exports to Europe via Nord Stream 1 and call on the Commission to closely monitor the amount of gas available for the winter.
 9. From the demand side, Ministers agree that credible and coordinated demand reduction action initiatives are vital to improve the resilience of the EU economy ahead of the winter. In this respect, Ministers take stock of the new legislative tool to reduce gas use in the EU by 15% until the next spring and measures taken by Member States in this respect.



10. From the supply side, Ministers take note of the Commission's update on the enhanced outreach to international partners and reliable suppliers to increase gas deliveries and agree that coordinated EU action should be intensified. In this respect, Ministers encourage further work on the voluntary EU Energy Platform on gas, LNG and hydrogen, in order to secure the EU's energy supply at affordable prices.
11. To address challenges of the current situation, Ministers call on the Commission to present an extension and broadening of the Temporary Crisis Framework at least until 31 December 2023 for the liquidity support measures and measures covering increased energy costs as well as for aid supporting the roll-out of renewables and the decarbonisation of the industry. Investment and financing conditions need to be further improved and alleviated to allow for comprehensive and swift roll-out of gas-alternatives.
12. Ministers reiterate the need to accelerate the decarbonisation of the EU's energy system to reduce dependency on fossil fuels, particularly from Russia.
13. Ministers reiterate their support to Ukraine and confirmed, despite the current energy crisis, their commitment to reinforce the ongoing energy cooperation with Ukraine.
14. Ministers agree to keep the situation on the energy markets under constant review and swiftly examine any proposals to be tabled by the Commission.