

Eurelectric Presidential statement

Reducing Europe's fossil fuel dependence

In response to the unprecedented situation, European political leaders should:

1. Prioritize even faster electrification to achieve decarbonization and energy independence

- a. Accelerate the deployment of renewables & other carbon-neutral energy sources
- b. Enable faster permitting as a matter of utmost urgency to accelerate deployment
- c. Fast-track the roll-out of electrical heat pumps in buildings and Electric Vehicles in transport
- d. Develop incentives to boost building renovation & district heating system modernization and phase out subsidies for individual gas boiler whenever economically and technically feasible
- e. Incentivize solutions for the conversion of clean electricity into hydrogen and other energy vectors
- f. Keep focus on massively reinforcing our electricity grid infrastructure

2. Guard investor confidence and reinforce markets especially now in the current crisis

- a. Deepen competitive integrated EU electricity markets
- b. Assess market design and enhance long-term price signals
- c. Avoid distortive claw-back measures and retail price caps
- d. Retain the EU ETS cap aligned with long-term objectives, while carefully exploring increased short-term liquidity via the Market Stability Reserve without undermining overall CO₂ pricing coherence
- e. Address the challenges caused by extreme price volatility in the energy commodities derivatives markets by allowing emergency/temporary funding to provide liquidity facilities to clearing banks

3. Take necessary short-term actions to protect customers

- a. Prioritize measures recommended by the initial EC Toolbox
- b. Reduce taxes and levies on electricity bills to reduce pressure on retail power prices
- c. **Address the root cause of price increases by considering how to best cap the wholesale price of gas at a level which truly protects consumers**
- d. Take short-term emergency measures to moderate gas demand across key use sectors by implementing firm energy efficiency and saving measures