



Energy affordability and energy security are EU imperatives

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Concerns about energy affordability and the threat of energy security have dominated EU discussions for the past months. Since the start of Russia's war against Ukraine, one year ago, Europeans have seen their cost of living rising, the price of goods increasing and the price of energy soaring. Russia has used energy as a weapon in its war, while Europe acted swiftly to cut energy ties with Russia in order to stop feeding its war machine while defending Ukraine's territorial integrity and its people's fundamental rights and freedoms.

At the same time, Europe has taken emergency steps to curb the rise in energy prices. Energy demand reduction measures and an indicative EU target for the reduction of gas demand are in place in different countries. Our political family was successful in pushing for the agreement on: a cap on market revenues for energy deriving from renewables, nuclear or lignite; a windfall tax on fossil fuel, and a price cap on gas prices amongst others.

We, as the socialist and social-democratic family, have the responsibility to build a new path for European energy policy, considering energy as a common good and giving priority to collective and solidarity solutions to tackle the energy transition and energy market failures.

While energy insecurity looms, more needs to be done. Ensuring energy affordability for all and energy security is an EU imperative for the PES. The PES calls for:

- European-level planning for energy production, strategic energy infrastructures, and research and innovation in renewable energy sectors including pilot projects.
- Intensifying investments in renewable energy, to reach the objective of a 100% renewable energy mix as fast as possible; this is the only long-term solution to achieve energy affordability and sustainable energy independence.
- Accelerating the roll out of renewable-based power, while ensuring the continuous supply of electricity throughout the EU also via renewable hydrogen, to completely phase out fossil fuels.
- Focusing on the protection of jobs, on building the EU's industrial strategic autonomy in the energy industry, and the development of green technologies, including the production of renewable hydrogen. To support Europe's green industrial fabric and create quality jobs, while at the same time make the EU a leading force in green energy production. Also, by starting the discussion on

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developing European price schemes that ensure the competitiveness of the European industry.

- Strengthening energy security, Europe has to increase its indigenous renewable energy and seek diversified, reliable and affordable suppliers. Moreover, move ahead with joint energy procurement at EU level to ensure energy affordability and energy security, while accelerating the roll out of renewables and the implementation of energy efficiency measures.
- Ensuring energy cohesion by developing strategic infrastructures such as a widespread, interconnected, cross-border energy grids and storage plants networks that accommodate a diversified energy mix and ensure undisturbed energy supply across the Union is essential.
- Regulating the energy market to ensure that the wholesale and retail price for energy is not and cannot be artificially spiked. Cheaper renewable energy should become accessible to all.
- Undertaking a reform of the wholesale electricity market to pass on the benefits of cheaper renewable technologies to consumers, including, by facilitating access to new and small energy platforms in the energy market, supporting cooperative energy communities to strengthen the sustainability of the electricity market and open it for participation of citizens and local and regional authorities.
- Developing a strategy that includes long-term contractual arrangements with energy suppliers, to find a good balance between fixed prices and market prices for producers and consumers. These can promote price predictability and stability and ensure price affordability that protects the most vulnerable.
- The withdrawal of EU Member States from the Energy Charter Treaty to put an end to fossil fuel investment protection and focus on reaching the EU's climate targets and intensifying green investments.

As the weather becomes milder and as energy prices start to drop, Europe should not become complacent. On the contrary, Europe has to focus its attention on speeding up the implementation of the EU Green Deal, phasing out reliance on fossil fuel, achieving strategic autonomy and ensuring long term energy affordability for all. At the same time, we must support households in the green transition, tackle energy poverty, and ensure that people do not bear the costs of these processes. Promoting a just transition in the most vulnerable regions, with financing mechanisms and close monitoring, is key. Europe needs to accelerate industry decarbonisation, and invest in green technologies. There is one long-term answer to strengthening Europe's energy independence and that is accelerating the green transition.

The PES will make sure that this process is socially just and cohesive, strengthens people's purchasing power, and ensures economic and environmental sustainability and sets social wellbeing over economic interests.