

## The impact of commodity prices on energy transition and regulatory framework

### Agenda

**Date:** Wednesday April 6, 2022

**Time:** 10.45 a.m. – 12.45 p.m. hours CET

**Location:** Online webinar

On March 8 the European Commission released its communication "[REPowerEU: Joint European Action for more affordable, secure and sustainable energy](#)". The European Commission will propose concrete options to avoid contagion effects of gas prices in electricity prices. It is likely that further guidance on clean energy transition will emerge from EU institutions. RePowerEU acknowledges EU need to action with regards to the current imbalances of the energy market. Current energy price spikes are not the result of a "single cause". They are instead the product of a combination of supply and demand factors that have made electricity markets very tight.

The combination of increasingly expensive wholesale gas, a strong rebound in global demand and geopolitical instability, have pushed electricity prices in Europe to record heights, heavily impacting both businesses and households. Beyond the volatility of commodities such as gas and carbon, some Member States have pointed to the current system of marginal pricing in the EU electricity market as part of the problem calling for its radical rethinking.

Under the current economic context, society is facing unprecedented high energy costs and selected market actions are required to ensure a net zero society without damaging the competitiveness of the EU industry. All of this proves that rising gas prices and high electricity bills for EU consumers are not issues that can remain confined to the energy market discussion strengthening the mutually reinforcing effects between energy, climate and social policies, and the geopolitical relations between the EU and third parties.

Guidance on temporary short term measures additional to the November toolbox include: tax on windfall profits, diversification of gas supply, extra use of ETS revenues to support consumers, extending the list of sectors entitled to receive aid due to indirect cost compensation under the EU ETS; and long term measures accelerating the energy transition: market actions to improve the electricity market design, a legislative proposal on minimum gas storage, energy efficiency first principles, higher degree of electrification, renewable hydrogen and enabling infrastructure; are some of the potential measures proposed by the policy maker.

This event is part of a ERCST series which takes the state of play of the debate in energy prices after the release of the EC toolbox and REPowerEU Communication as well as looking forward to the direct EC framework. Stocktaking on upcoming Council discussions and following the previous event on "[Electricity prices in the EU](#)" hosted by the ERCST in October 2021, this time ERCST aims to encourage a discussion on the following questions:

## Session 1

- *In a rapidly evolving context what are the main drivers of high gas and electricity prices and what is the outlook?*

## Session 2

- *How to make sure REPowerEU is able to conciliate the growing tension of keeping energy prices low, accelerating decarbonisation and guarantying need investments and security of supply?*
- *What short term and long-term solutions could be effectively implemented to tackle the current energy crisis?*

## Agenda:

**10:45**

### **Welcome**

- Marcu, Director of ERCST

**11:00**

### **Open remarks**

- P. Schellekens, DG ENER A.2, European Commission

**11.15**

### **Interventions**

#### **Session 1 – Main drivers of gas and electricity prices**

- K. Lipiński, PEI
- J. Watson, Eurogas
- A. Villa, Enel

#### **Session 2 – RePowerEU and solutions to tackle the current energy crisis**

- E. Chamizo, Iberdrola
- R. Batier, Cerame-Unie

**12.00**

### **Q & A from audience**

**12:45**

### **End**