



Council of the European Union

PRESS
EN

BACKGROUND BRIEF¹
Brussels, 29 September 2022

Extraordinary TTE Energy Council **Brussels, 30 September 2022**

Chair: **Jozef Síkela**, Czech minister of industry and trade

European Commission representative: **Kadri Simson**, European Commissioner for energy

Starting time: 9:30

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EU energy ministers will seek a political agreement on a proposal for a Council Regulation on an **emergency intervention to address high energy prices**.

The proposal includes measures to **reduce electricity demand** during peak hours in order to decrease electricity prices for consumers, measures to collect surplus revenues from the production of electricity and a solidarity contribution from the fossil fuel sectors' surplus profits **which will be used to alleviate the impact of high prices on** final customers and further protect electricity retail customers.

Ministers will then hold an exchange of views on further policy options to mitigate high gas prices.

Under any other business Denmark, supported by Germany and Sweden, will inform ministers on recent gas leaks in the Nord Stream 1 and 2 pipelines near the island of Bornholm in Denmark.

The debates will not be in public session.

The meeting will be followed by a press conference.

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Press conference:

At the end of the meeting +/- 14:30 with **Jozef Síkela**, Czech minister of industry and trade and **Kadri Simson**, European Commissioner for energy.

[Energy Council meeting page](#)

[Press conferences and public events by video streaming](#)

[Video coverage in broadcast quality \(MPEG4\) and photo gallery](#)

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¹ This note has been drawn up under the responsibility of the press office.

Emergency intervention to address high energy prices

EU energy ministers will try to reach a political agreement on a proposal for a Council Regulation on an **emergency intervention to address high energy prices**.

Since 2021 the EU has experienced an unprecedented increase in energy prices that has been aggravated by the military aggression of Russia against Ukraine. EU countries are united and closely coordinating their efforts in a spirit of solidarity to secure the EU's energy supply and mitigate the impact of high energy prices on consumers and the economy.

In this context, following up on political guidance given by the Council in the Extraordinary Energy Council on 9 September, the Commission presented, on 14 September 2022, a proposal for a Council Regulation on an emergency intervention to address high energy prices.

The Commission's initial proposal sets a **voluntary overall reduction target** of 10% of gross electricity consumption, and a **mandatory reduction target of at least 5%** of the electricity consumption during peak hours, to be determined by member states.

The proposal foresees to **cap the market revenues at 180 euros/MWh** for electricity generators that use so-called **inframarginal technologies to produce electricity**, such as renewables, nuclear and lignite. The proposal allows member states to choose how to redirect the surplus revenues towards measures in support of final electricity consumers.

The proposal also introduces an **exceptional and temporary solidarity contribution to tackle the surplus profits of the fossil fuel sector**. The solidarity contributions would be redistributed to provide support to households and SMEs.

The measures proposed are **exceptional and temporary** in nature. They are based on article 122 of the treaty.

Ministers will seek a political agreement amending the Commission's initial proposal. The outcome of the political agreement will then be formally adopted by member states by **written procedure**, possibly in view of the informal European Council in Prague on 7 October 2022 and will enter into force on the day following its publication in the Official Journal of the European Union.

The proposal complements existing EU initiatives and legislation, adopted in the last couple of months to keep energy affordable and ensure the EU's energy security of supply, such as the gas demand reduction regulation, the gas storage regulation, the creation of an EU energy platform and outreach initiatives for the diversification of supply sources. The measures also complement initiatives proposed under REPowerEU in March 2022.

- [Proposal for a Council regulation on an emergency intervention to address high energy prices](#)
- [Energy prices and security of supply \(background information\)](#)
- [EU response to Ukraine invasion \(background information\)](#)

Policy options to mitigate high gas prices

Ministers will hold an exchange of views on further policy options to mitigate high gas prices. To structure the debate, the Presidency has prepared a background note with guiding questions on price caps on imported pipeline gas and/or LNG and further demand reduction measures, including joint purchasing and auctions.

- [Energy prices and security of supply \(background information\)](#)

Any other business

Under any other business Denmark, supported by Germany and Sweden, will inform ministers on recent gas leaks in the Nord Stream 1 and 2 pipelines near the island of Bornholm in Denmark.
