



Brussels, 11 October 2022

Dear Commission President,

Putin's aggression to Ukraine has provoked a steep increase in oil and gas prices, driving citizens into financial stress and even poverty, while companies, and particularly SMEs face decreased output, layoffs, and insolvency.

We certainly welcome the renewed impulse to renewable energy as proposed by the Commission under Next Generation EU and RePower EU. This is, no doubt, an important part of the solution to end our dependency on fossil fuels from Russia and other unreliable exporters.

Sadly, at the start of the war, we didn't implement an immediate overall import ban on all Russian fossil fuels. And by doing so, the EU has continued to fund Putin's war machine.

With the atrocities we have seen recently, especially the bombing by Russia of civilian targets in several Ukrainian cities, it becomes clear that we must again consider an immediate and total ban on all Russian imports of energy products. We must immediately break the addiction. But we have to do that in such a way, that we limit at the same time the damage to our economies and softens the effect on those who suffer most. Therefore, consumers and business require urgently a financial support so that they can cope with energy price inflation, in addition to the caps to electricity prices. This is paramount to safeguard the social cohesion in our societies and to keep the unity in our Union in our geopolitical battle against Putin's autocracy.

While it is positive that the European Council has agreed on an unprecedented windfall tax on the supernormal profits of energy companies and had also proposed recommendations to reduce demand across the bloc, it is worrying that several national intervention programmes continue to trump a coordinated European action. In our view, help should come from the European level instead of falling back on a myriad of national plans, different in size and scope, and therefore with unequal consequences in terms of fairness and sound competition.

The EU has faced the pandemic with joint procurement of vaccines and a Recovery Plan in the same spirit of solidarity. Jointly-issued debt has been launched to finance investments grants and loans under Next Generation EU, while financial support for unemployment schemes has been given under the SURE mechanism.

It is our firm view, that the same approach should be applied to the ongoing war and energy crisis. Fiscal space and debt positions vary widely across Member States, but the needs of our citizens and companies are the same. They need to be compensated for the high energy prices they have been facing already for several months, a situation that will further deteriorate during Winter. Those with the greatest fiscal space can maybe buy their way out of these difficulties, but this is certainly not an option for everyone. As with the hunt for vaccine contracts, also her, the only solution to this is a European one—a real Energy Union with shared energy grids, common energy purchases through an Energy Purchase Platform (EPP) and common investments in future new renewable energy trough an European Energy Security Fund (EESF).

Commissioners Breton and Gentiloni are right when a few days ago they wrote that “only a common and united European response can preserve our industry and protect our citizens”, because “countries do not have the same fiscal space (...) we must think about mutualised tools at the European level”.

This is why we call on the Commission to table a legislative proposal under article 122 of the TFEU in order to set up a European Energy Assistance Plan (EEAP) for the benefit of consumers and business across Europe, financed with EU-debt and based on the provision of grants and loans. Such an EU wide budgetary support will complement the action of the ECB in order to calm volatile financial markets, while maintaining the integrity and unity of the internal market, by providing equal protection to “all European companies and citizens” and moving “forward together in this major crisis”.

Both, the new European Energy Assistance Plan and the European Energy Security Fund, should be financed trough EU ‘own resource’ taxes among others on the windfall profits of companies. This would avoid the need for state guarantees and hence side-line all political and legal problems associated with them.

This energy crisis is a truly European problem, so we need to link arms to overcome it.

Yours sincerely,

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