

EUROPEAN COMMISSION DIRECTORATE-GENERAL FOR ENERGY

The Director-General

Brussels ENER.C2/KV/oa (2022) 8849865

Mr Jori Ringman Director General Cepi - Confederation of European Paper Industries

By email: j.ringman@Cepi.org

Dear Mr Ringman,

Thank you and your co-signatories for your letter dated 4 October 2022 to President von der Leyen, with the request of European associations representing players along the European wood fibre-based value chain calling on the European Commission, the national governments and the European Parliament to effectively cushion the impact of high energy prices. I have been asked to reply on President von der Leyen's behalf.

Since the second half of 2021, when energy wholesale prices started to rise, the Commission has taken decisive action in no less than twelve successive packages which are described in detail <u>here</u>, acting both on the energy supply and demand.

In this regard, we have concentrated efforts on diversifying the EU's energy supplies, while exploiting the EU's collective political and market weight to help strengthen the security of our gas supply, with solidarity within the EU also in mind, on doubling-down on the green transition and increasing both energy savings and efficiency. In particular, in May 2022, following the invasion of Ukraine, the Commission adopted the REPowerEU Plan, which comprises a comprehensive set of actions that also help address the problem of high energy prices.

Whilst no specific actions have been taken in favour of specific industrial sectors, the REPowerEU Plan measures are also expected to alleviate the pressure of high energy prices faced by industrial customers. I would also like to draw your attention to the Emergency Regulation (EU) 2022/1854 of 6 October 2022 on electricity demand reduction, which lays down further measures, in particular a temporary revenue cap on "infra-marginal" electricity producers to bring down electricity prices. According to the Regulation, Member States will be able to re-distribute revenues to reduce the burden of the high prices on all consumers, both households and companies. In addition, it includes a temporary solidarity contribution on excess profits made in the oil, gas, coal and

Commission européenne/Europese Commissie, 1049 Bruxelles/Brussel, BELGIQUE/BELGIË - Tel. +32 22991111 Office: DM24 08/084 - Tel. direct line +32 22962496 refinery sectors, which would be collected by EU countries on 2022 profits and redirected to energy consumers. Article 17 of the Regulation provides that Member States use the proceeds from the temporary solidarity contribution with sufficiently timely impact for any purposes defined in that provision, which includes financial support to companies in energy intensive industries provided that they are made conditional upon investments into renewable energies, energy efficiency or other decarbonisation technologies.

As recently as 18 October 2022, the Commission proposed an emergency regulation to address high energy prices and ensure security of supply for this winter, including measures relating to joint gas purchasing and price limiting mechanisms on the main European gas exchange. In addition, the recent amendment of our State aid Temporary Crisis Framework (first introduced in March 2022), provides Member States with a far-reaching toolbox of measures to help companies. On 9 November the Commission tabled an emergency regulation to accelerate renewables permitting. The proposed regulation, which will have a duration limited to 1 year, will simplify permit-granting processes for specific renewable energy technologies which have the highest potential for quick deployment and effect in the short term. Lastly, on 22 November the Commission proposed a Council Decision establishing a Gas Market Correction Mechanism, following its proposal of 18 October.

In view of her busy timetable, including due to the heavy energy agenda, President von der Leyen has to unfortunately decline your meeting invitation.

Rest assured that the Commission, together with the other EU institutions, will continue taking all necessary action towards ensuring secure, green and affordable energy to European households and businesses.

Yours sincerely,

Ditte Juul Jørgensen