

## **EPP PAPER – ENERGY PRICE INTERVENTIONS**

### **EPP Finance Ministers**

**Executive summary:** The EPP supports targeted relief for the most vulnerable households and businesses, while fully safeguarding fiscal sustainability and the proper functioning of energy markets and Europe's competitiveness. Our approach combines immediate support where needed with long-term structural solutions that strengthen energy security, lower costs and respect technological neutrality.

#### **1. Targeted, temporary and timely support**

Most Member States have already taken measures to address rising energy prices. From an EPP perspective, it is essential that any support remains targeted, temporary and timely. The focus should be on vulnerable households, SMEs and energy-intensive sectors most exposed to high energy costs, rather than on broad, across-the-board measures. This ensures that support is effective, fiscally responsible, and focused on protecting jobs, investment and European competitiveness.

#### **2. No demand stimulus in a supply-driven crisis**

The current rise in energy prices is primarily driven by supply constraints and Europe's exposure to volatile global energy markets. In such a context, measures that artificially support or stimulate demand risk aggravating the problem by putting additional pressure on prices. The EPP therefore considers that policy responses should avoid fueling demand and instead reflect the underlying nature of the shock.

#### **3. Preserving price signals and encouraging demand reduction**

While it may be tempting to suppress price increases, it is important to preserve the role of price signals. These signals are essential to guide both consumption and investment decisions. Measures that encourage energy savings and efficiency are therefore more appropriate and more consistent with a fiscally responsible approach than broad price interventions.

#### **4. Fiscal responsibility and respect for the EU framework**

All measures should remain fully consistent with the EU fiscal framework. There is currently no case for the opening of escape clauses in response to what is, by nature, a temporary price shock rather than a structural measure. Support should be carefully designed to avoid permanent budgetary impacts and should remain clearly time-limited.

#### **5. Addressing the root cause: energy dependence**

Ultimately, the structural driver of Europe's vulnerability to energy price shocks is its dependence on imported fossil fuels and lack of energy sovereignty. The EPP therefore underlines the importance of accelerating investment in affordable, European-made and low-carbon energy, on the basis of technological neutrality. This includes renewables, nuclear energy, hydrogen, bioenergy, carbon capture technologies and other clean technologies, that strengthen Europe's energy independence. Moreover, it

is key to complete the Energy Union by expanding energy grids, boosting interconnections, driving deeper electricity market integration and improving storage. The EPP also stresses the need to go towards an electrification of energy usage. Reducing structural energy costs is the most sustainable way to protect both households and businesses in the long run.

**Conclusion:** we support those who need it most, but we do so in a way that preserves market functioning, maintains fiscal discipline, addresses the root causes of the problem, and maintains Europe's competitiveness. Short-term relief and long-term resilience must go hand in hand.