

How to Act?

Assessing the EU's options for emergency measures to reduce gas prices

EPICO KlimaInnovation provides benchmarks to evaluate options at EU's disposal to reduce the price of gas in Europe.

Brussels, 17 October 2022: Today, EPICO KlimaInnovation published a policy paper where it assesses the currently most discussed options to tackle high energy prices, "How to act? Assessing the EU's options for emergency measures to reduce gas prices". The publication follows up to the report EPICO published in September on proposed instruments to intervene in the energy market design.

Following the Russian aggression and invasion of Ukraine, the EU's gas market saw costs rising drastically. To address the resulting energy crisis, both the Council of the European Union and the European Commission put forward a series of suggested measures. However, EU Energy Ministers have not yet arrived on an agreement on the topic.

Ahead of the new set of suggestions to be issued by the European Commission on 18 October, EPICO KlimaInnovation provides **a set of criteria and a condensed assessment** laying out several recommendations designed to lower the price of gas, hence by decreasing the costs of energy bills, without permanently overhauling the existing market design.

This paper considers the short-term implications of the main proposals currently being considered by the European Commission and Member States according to the following criteria:

1. **Ensures security of gas supply:** the measure ensures that sufficient gas is delivered to Europe and enough gas is saved to ensure security of supply
2. **Reduction in consumer bills:** the measure has the intended effect of reducing gas prices in a meaningful way for consumers
3. **Enables efficient allocation of gas:** under the measure, scarce gas is allocated to consumers in an economically efficient manner
4. **Low fiscal burden:** the costs of the measure do not excessively burden Member States
5. **Ease of implementation:** how quickly and efficiently the measure can be implemented

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