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Subject:	**Written Procedure with reply by Thursday 22 December 2022 at 16:00 CET (Brussels time) by email to energy@consilium.europa.eu** Proposal for a Council Regulation establishing a market correction mechanism to protect citizens and the economy against excessively high prices – Adoption – End of the written procedure

Delegations are informed that the written procedure, opened by CM 5887/22 of 22 December 2022 was completed on **22 December 2022** at **16:00** and that all delegations voted in favour of, except for Hungary that **voted against**, and the Netherlands and Austria that **voted abstain**, the adoption of the Council Regulation on establishing a market correction mechanism to protect citizens and the economy against excessively high prices, as set out in document **ST 15202/22 + COR 1(pt) + COR 2(es).**

The required qualified majority has been reached. Therefore, the Council Regulation on an establishing a market correction mechanism to protect citizens and the economy againts excessively high prices is adopted.

The statements by Germany and Netherlands are reproduced in the Annex 1 to this CM.

The above statements will be included in the summary of acts adopted by the written procedure as statements to be entered in the Council minutes, in accordance with the third subparagraph of Article 12(1) of the Council's Rules of Procedure.

ANNEX 1

STATEMENT BY GERMANY

Germany remains critical of the introduction of a gas price cap. However, it would be even more critical if the European Union did not act united today. In this sense, we support the Market Correction Mechanism for political reasons. However, the various control mechanisms would have to be carefully applied and adhered to.

STATEMENT BY NETHERLANDS

The Netherlands, via this statement, declares it abstains from voting on the market correction mechanism, for the following reasons

- Our most fundamental objection is the absence of a decent and comprehensive impact assessment before the MCM takes full effect. The implications of this mechanism are potentially severe for the financial stability of the gas market and the security of supply. Since the first draft of the proposal, the amendments have not sufficiently mitigated these risks, but actually added additional risks through the lowering of the triggering conditions and broadening of the scope.

- Many financial institutions, experts, regulators, central banks and energy companies have warned about the potential effects on financial stability and security of supply. An impact assessment should assess and, where necessary, address these concerns.

- As the potential effects on the TTF, and thereby the (financial) functioning of the gas market and security of supply in Northwest Europe, are too severe to ignore, we want to see an automatic suspension of the mechanism as soon as we receive signals that markets are not functioning well, for instance when the liquidity on the TTF drops below a critical level.

- Finally, the lack of additional, mandatory, obligations on saving gas and electricity is contrary to the objectives of the MCM. We still believe demand-side measures are an essential part of the toolbox to address the root cause of high prices: the disbalance between demand and supply.

- The Netherlands is not accepting any liability flowing directly or indirectly from the adoption of the MCM Regulation.