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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: AOB for the meeting of the Transport, Telecommunications and Energy Council on 15 December 2025
Ensuring coherence of national energy price support schemes to safeguard the internal market and support the energy transition
- Information from Portugal, Spain, Finland and Ireland

Ensuring coherence of national energy price support schemes to safeguard the internal market and support the energy transition

Information from Portugal, Spain, Finland and Ireland

Building a genuine Energy Union before 2030 requires affordable, predictable and competitive energy prices. These are essential pillars for the Union's decarbonisation pathway, the effective implementation of REPowerEU, and the mobilisation of the necessary investments required in renewable energy, flexibility and electricity grids. In parallel, a just and equitable transition – which is a core principle of the EU's energy and climate policies - depends not only on efficient markets but also on the perception that benefits and costs are shared fairly among Member States, in line with the objectives of the European Green Deal and the Internal Energy Market.

In recent years, several Member States have introduced national support measures aimed at mitigating high energy costs for industrial consumers. While these interventions address domestic needs, their scale, duration and design – which vary considerably across the Union depending on fiscal margin of each member state - can effectively distort energy price levels, without necessarily reflecting underlying system costs, the real competitiveness of national markets, or the significant efforts made by Member States to expand renewable generation and modernise grid infrastructure.

Recent EU data reveal that, despite some progress, perceived or actual imbalances in industrial electricity prices persist. These imbalances risk undermining confidence in the internal energy market and public acceptance of the energy transition. Such challenges are particularly relevant in a context where the EU's Grids Action Plan and the Draghi Report both underline the need to accelerate infrastructure expansion, strengthen system flexibility and maintain a level playing field for investment, pursuing the goal investments are made in the most efficient manner.

The Commission and Member States have already taken important steps in this direction:

- The revised Electricity Market Design strengthens price stability and investment signals;
- The implementation of the Temporary Crisis and Transition Framework, the Energy and Environmental State Aid Guidelines, the Revised EU Emission Trading System State aid and Clean Industrial Deal State Aid Framework and
- the establishment of a DG ENER Task Force to improve industrial energy price competitiveness all provide useful instruments.

In addition, Commissioner Jørgensen's recent letter to Member States on pathways to reduce energy prices highlights the shared need for coordination and transparency in national interventions.

However, risks of market fragmentation persist, potentially undermining investor confidence and the EU's collective ability to achieve its energy and climate objectives in a cost-effective manner, threatening European competitiveness.

In this context, and reaffirming the commitment to an integrated, competitive, and socially just internal energy market, the undersigned Member States call on the Commission to:

1. Present a comprehensive assessment of the impact of national energy price support schemes on the functioning of the internal market, based on:
 - Harmonised indicators of industrial competitiveness and energy costs;
 - A comparative analysis of the effectiveness, transparency, and coherence of national measures, including their alignment with internal market principles and the objectives of the Energy Union;
2. Propose concrete initiatives, including:
 - Updated guidelines for the design of national support schemes, ensuring they do not distort competition and promote competitiveness as well as a just transition;
 - Enhanced coordination mechanisms among Member States, including the sharing of best practices and regular monitoring of the effects of these measures;
 - Legislative or non-legislative initiatives to ensure that public support is temporary, targeted, and compliant with State aid rules, avoiding subsidies that could distort competition or discourage energy efficiency;
3. Explore structural solutions to reduce long-term energy costs including:
 - Measures to accelerate the integration of renewables and system flexibility;
 - Options to further mitigate indirect electricity costs without compromising the financial sustainability of national energy systems.
