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NOTE	
From:	Presidency
То:	Permanent Representatives Committee/Council
Subject:	Action Plan for affordable energy
	- Policy debate

In view of the Transport, Telecommunications and Energy Council on 17 March 2025, delegations will find in the Annex the Presidency background note on the above subject.

<u>ANNEX</u>

Presidency background note

Action plan for affordable energy - strengthening the Energy Union

In response to the 2022-2023 energy crisis, the EU has implemented several short-term emergency measures alongside structural reforms within the Electricity Market Design.

Although energy prices have decreased, they remain above pre-crisis levels. As highlighted in the Draghi report, this has an increasingly negative impact on the EU's global competitiveness.

To address this challenge, the Commission recently published the Clean Industrial Deal, underpinned by an Action Plan for Affordable Energy. While the Clean Industrial Deal outlines actions to turn decarbonisation into a driver of growth for European industries, the Action Plan sets out various concrete short-term measures to lower energy bills for citizens, businesses, industry and communities across the EU, while accelerating the implementation of the cost saving structural reforms to complete the Energy Union, attract investments, and be better prepared for potential energy crises.

Lowering energy costs should provide immediate relief to consumers, while deeper integrated, wellfunctioning and decarbonised energy markets are the best way to achieve affordable energy prices in the longer run.

The measures outlined in the Action Plan vary widely in terms of nature, lead times, enforceability, ownership, or impact. Some are fully developed, while others will require further reflection. The Action Plan clearly states the need to complete a genuine Energy Union, originated in 2015, through three enablers: a fully integrated energy market, a decarbonised energy system and a more transparent and competitive well-functioning gas market.

Ministers are invited to present their views on how to take the Action Plan forward, on the basis of the following questions:

- 1) Which measures proposed by the Commission both at national and EU level aimed at reducing energy costs are likely to have the greatest impact in the short or medium term, and should therefore be prioritised?
- 2) In the mid to longer term, which other measures could be envisaged to further reduce energy costs? Do Member States consider that greater harmonisation and stronger cross-border participation in the area of capacity mechanisms would enhance the overall affordability of such mechanisms?