

# THE EU ENERGY CRISIS

## A JOURNAL

Energy has been at the top of the EU's political agenda since late 2021 following sharp price rises both in the EU and globally. While prices continued to soar throughout 2022, a new concern emerged as a result of Russia's war of aggression against Ukraine and its weaponisation of energy deliveries to Member States: security of supply.



OPP has selected key dates to quickly capture the EU's efforts to deal with skyrocketing energy prices and secure energy supplies, including several packages and emergency proposals, as well as a record 12 meetings of Energy Ministers in 2022.

## 2021

**13 OCTOBER** – The Commission adopts a Communication on energy prices to tackle the exceptional rise in global energy prices. The Communication includes a toolbox of short- and medium-term measures that the EU and Member States can use under the existing legislative framework to address the immediate impact of current price increases.

**26 OCTOBER** – The Slovenian Presidency convenes an Extraordinary Energy Council meeting #1 in Luxembourg to discuss the rise in energy prices and possible mitigating measures at the EU and national levels.

## 2022

**24 FEBRUARY** – Russia launches a war of aggression against Ukraine. A special meeting of the European Council is convened in reaction. In their Conclusions, EU leaders call on the Commission to put forward contingency plans, including for energy.



**28 FEBRUARY** – Extraordinary Energy Council meeting #2 in Brussels to discuss the energy situation in Ukraine and Europe. EU Energy Ministers point out that the war is raising gas prices in the EU and international oil prices.

**8 MARCH** – The Commission adopts the Communication titled 'REPowerEU: Joint EU action for more affordable, secure and sustainable energy', which states the EU's intention to phase out its dependency on Russian fossil fuels well before 2030 and outlines a series of measures to achieve this goal.

**10 – 11 MARCH** – Informal meeting of heads of state or government in Versailles. EU Leaders endorse the blueprint of the REPowerEU Communication and invite the Commission to submit a REPowerEU proposal. The Versailles Declaration outlines strategies for reducing energy dependency and strengthening strategic resilience in critical sectors.

**23 MARCH** – The Commission publishes the Communication titled 'Security of supply and affordable energy prices: options for immediate measures and preparing for next winter'. It outlines ideas for collective actions to address the problem in the gas market and ensure security of gas supply at reasonable prices for citizens and businesses. The Commission puts forward a new proposal for a Regulation amending the Security of Gas Supply Regulation, which proposes requiring Member States to fill at least 80% of their storage capacity by 1 November 2022, which would be raised to 90% in subsequent years.

**24 – 25 MARCH** – European Council meeting in Brussels. The Conclusions encourage Member States and the Commission to make the best use of the toolbox and call on the Commission to submit proposals addressing high electricity prices.



**2 MAY** – Extraordinary Energy Council #3 meeting is held to discuss gas supply. EU Energy Ministers exchange views on the energy situation in the EU and Gazprom's unilateral decision to suspend gas deliveries to some Member States.



**18 MAY** – The Commission publishes the **REPowerEU package**, a detailed plan to achieve the goals outlined in the March Communication and rapidly reduce the EU's dependence on Russian fossil fuels while increasing the resilience of the energy system. The plan sets out actions to save energy, diversify supplies and replace fossil fuels by accelerating the roll-out of renewable energy. The package includes a legislative proposal introducing targeted amendments to the directives on renewable energy {RED}, energy performance of buildings {EPBD} and energy efficiency {EED} – all three of which are being reviewed by the co-legislators as part of the Fit for 55 package.

**16, 19 MAY** – The Council and the Parliament reach a **provisional political agreement on the Gas Storage Regulation** after two rounds of trilogues. Co-legislators agree on the 80% target for 1 November 2022 and 90% for the subsequent years.

**6 JULY** – Commission President von der Leyen announces the Commission's **intention to present in two weeks a contingency plan** in case of further disruption or full cut-off of Russian gas.



**20 JULY** – The Commission presents its **winter preparedness package** aiming at reducing Europe's gas demand. The package includes the **"Save gas for a safe winter"** Communication, which suggests an initial voluntary gas demand reduction target of 15% for all Member States between 1 August 2022 and 31 March 2023. The package also put forward a regulatory proposal to complement existing gas security of supply rules with the introduction of a new Union crisis level called the 'Union alert' which would trigger a mandatory reduction target.

**26 JULY** – **Extraordinary Energy Council #4**. Member States discuss the winter preparedness package and reach a political agreement on an amended version of the Commission's proposal for a Regulation regarding the voluntary gas demand reduction target of 15%. However, EU Energy Ministers introduce exemptions and possibilities for some Member States to request a derogation and increase the role of the Council in the 'Union alert' mechanism. The alert would now be activated by a Council implementing decision acting on a proposal from the Commission.



**9 SEPTEMBER** – The Czech Presidency holds **Extraordinary Energy Council meeting #5** to exchange views on the possible emergency measures to mitigate high energy prices and on the current level of preparedness for next winter.

**14 SEPTEMBER** – The Commission unveils an **Article 122 proposal for a Council Regulation on an emergency intervention to address high energy prices**, which includes three measures. First, an electricity emergency tool that combines an overall 10% reduction of electricity demand from all consumers with an obligation for the Member States to reduce demand by 5% during peak price hours. Second, a temporary revenue cap for inframarginal producers to 180 EUR/MWh. Third, a temporary solidarity contribution on excess profits made in the oil, gas, coal and refinery sectors.



**26 SEPTEMBER** – A blast followed by a severe drop in pressure in **Nord Stream 1 and 2** attracts international attention and renders the underwater natural gas pipelines connecting Germany and Russia through the Baltic Sea inoperative.

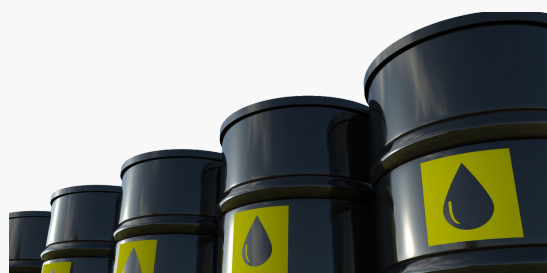


**30 SEPTEMBER** – The Czech Presidency holds **Extraordinary Energy Council meeting #6** during which EU Energy Ministers reach a political agreement on the proposal for a Council Regulation on an emergency intervention to address high energy prices. The formal adoption is expected to be done by written procedure in October.





**18 OCTOBER** – The Commission adopts an emergency package consisting of a Communication and a proposal for a Council Regulation under Article 122 to mitigate the impact of high gas prices, ensure security of supply and tackle energy market price volatility. In the package, the Commission suggests equipping the EU with the legal tools to pool energy demand and jointly purchase gas. The Commission also proposes default solidarity rules between Member States in case of severe supply shortages. Furthermore, the Commission proposes to develop a new complementary price benchmark for LNG for the next filing season. In the meantime, the Commission suggests creating a temporary mechanism to be triggered under certain conditions to limit excessive gas prices via the TTF.



**20 – 21 OCTOBER** – European Council meeting in Brussels. In its Conclusions, the European Council calls on the Council and the Commission to urgently submit concrete decisions on additional measures, including voluntary joint purchasing of gas, a new complementary gas benchmark by early 2023, a temporary dynamic price corridor on natural gas transactions to limit episodes of excessive gas prices, a temporary EU framework to cap the price of gas in electricity generation, and a fast-tracking of the simplification of permitting procedures for renewable projects.

**25 OCTOBER** – The formal Energy Council meeting sees the Commission present in camera the previous week's proposal for a Council Regulation on 'Enhancing solidarity through better coordination of gas purchases, exchanges of gas across borders and reliable price benchmarks' and the Communication titled 'Energy Emergency – preparing, purchasing and protecting the EU together'.

**9 NOVEMBER** – The Commission puts forward a new proposal for a Council Regulation outlining a framework to facilitate the deployment of additional renewable energy capacity. Based on Article 122, the Regulation would notably introduce the presumption that renewable energy projects are of overriding public interest with the aim of reducing bottlenecks.

**22 NOVEMBER** – The Commission publishes the proposal for a Council Regulation establishing a Market Correction Mechanism that seeks to reduce volatility in European gas markets by acting on the TTF price.

**24 NOVEMBER** – Extraordinary Energy Council Meeting #7. EU Energy Ministers agree on the content of the two penultimate emergency proposals but postpone their formal adoption until a later meeting as it would depend on an agreement on the most recent emergency proposal. The proposal for a market correction mechanism is also on the agenda.

**13 DECEMBER** – Extraordinary Energy Council meeting #8 is convened by the Czech Presidency to adopt the three latest proposals for Council regulation – with the two penultimate ones having already been politically agreed. However, EU Energy Ministers fail to agree on the proposed TTF mechanism and postpone it to a formal meeting on 19 December.

**15 DECEMBER** – December European Council meeting. EU leaders take stock of progress on measures to tackle the crisis, call on the Council to finalise the work on emergency proposals on the table and underline the importance of coordination at the EU level to prepare for next winter seasons.

**19 DECEMBER** – This formal Energy Council meeting, the 12th time EU Energy Ministers met in 2022, saw EU Energy Ministers reach a political agreement on the proposal for a Council Regulation establishing a market correction mechanism to protect citizens and the economy against excessively high gas prices. This agreement ends the impasse over the adoption of two already agreed emergency proposals, both Council Regulations. The first will aim to accelerate permitting procedures for certain renewable technologies, whilst the other focuses on joint gas purchases, strengthened solidarity measures, and an ACER mandate to develop an alternative benchmark for LNG. They also adopted a general approach on the REPowerEU legislative proposal.

\*Dates were last updated in December 2022.  
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