Press release

European Parliament

Creating a more stable, affordable and sustainable electricity market

Parliament today gave the green light to start negotiations with Council to reform the EU's electricity market.

The decision to open talks with member states, as proposed by the Industry, Research and Energy committee in July 2023, was taken with 366 votes to 186, with 18 abstentions.

MEPs want to strengthen consumer protection against volatile electricity prices, and want to make sure consumers have the right to fixed-price contracts or dynamic price contracts. Information on the options people sign up to, and banning suppliers from being able to unilaterally change the terms of a contract, should also be part of this reform. All consumers, as well as small businesses, should benefit through this reform from long-term, affordable and stable prices and the mitigation of the impact of sudden price shocks.

MEPs also demand EU countries prohibit suppliers from cutting the electricity supply of vulnerable customers, including during disputes between suppliers and customers, and prevent suppliers from requiring these customers to use prepayment systems.

Background

Energy prices have been rising since mid-2021, initially in the context of the post-COVID-19 economic recovery. However, energy prices rose steeply due to gas supply problems following the launch of Russia's war against Ukraine in February 2022. High gas prices had an immediate effect on electricity prices, as they are linked under the EU's merit order system, where the most expensive (usually fossil fuel-based) energy source sets the overall electricity price.

Further information

Adopted text (14.09.2023)
Procedure file
Committee on Industry, Research and Energy

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2 | 2