

Beat: Politics

European Parliament call for EU response to focus on the most vulnerable

Call for a appropriate price

Strasbourg (France), 05.10.2022, 17:54 Time

USPA NEWS - The Russian war of aggression on Ukraine and the weaponisation of the EU's fossil energy supply has dramatically exacerbated already-existing instability in the energy market and led to increasing energy prices and a cost of living crisis, state MEPs in a resolution adopted on Wednesday. They alert member states that consumers that cannot afford their energy bills should not have their supply cut off and underline the need to avoid home evictions for vulnerable households that are unable to pay their bills and rental costs.

Consumers should be better protected from their fixed-rate contracts being suspended or withdrawn by suppliers, as well as from exorbitant pre-payments for gas and electricity, MEPs said. They argue that exceptional times require exceptional emergency measures, with member states acting as jointly and as united as ever, and they insist that all initiatives adopted at the EU level must be fully compatible with the European Union's climate goals in the long term. Unprecedented solidarity among member states is needed, as well as a common response, instead of divisive unilateral actions, they say.

Companies that have benefited from windfall profits must contribute to mitigating the negative consequences of the crisis, MEPs say. They welcome in principle a Council agreement to establish a cap on revenues from so-called inframarginal technologies used to produce electricity, such as renewables, nuclear, and lignite.

Concerning the solidarity contributions proposed for the profits of oil, gas, coal and refinery companies, MEPs warn that some of the largest energy companies may not have to pay the contribution and call for the contribution to be designed to prevent tax avoidance. They also demand the Commission assess what an adequate profit margin should be and to take further steps towards introducing a tax on windfall profits for companies that have excessively benefitted from the energy crisis.

Parliament calls on the Commission to propose an appropriate price cap on gas imports through pipelines, primarily from Russia, and notes that the EU tools for jointly purchasing gas should be upgraded to lower the price of imports.

Windfall profits should benefit consumers

The revenues from windfall profits should benefit consumers and businesses, in particular vulnerable households and SMEs. This should go hand in hand with massive innovation and investments in renewable energies and energy efficiency and infrastructure, rather than incentivising households and companies to consume more subsidised energy.

Parliament is ready to analyse any proposal to reform the electricity market, making sure it has the right price signal to invest in decarbonisation, allow citizens and industries to benefit from secure, affordable and clean energy, while addressing disproportionate profits. The Commission should analyse the decoupling of electricity prices from the prices of gas, according to MEPs.

MEPs also call on the Commission to closely look into the activities of financial players who contributed to the carbon price volatility, and act to eliminate the influence of speculative capital on the EU ETS allowances market. MEPs also reiterate their call for an immediate and full embargo on Russian imports of oil, coal, nuclear fuel and gas, and for Nord Stream 1 and 2 to be completely abandoned.

Article online:

<https://www.uspa24.com/bericht-21680/european-parliament-call-for-eu-response-to-focus-on-the-most-vulnerable.html>

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V.i.S.d.P. & Sect. 6 MDSStV (German Interstate Media Services Agreement): Jose A. Martin

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Official Federal Reg. No. 7442619