The Director-General

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Representatives of IFIEC Europe and European industry sector associations

ifieceurope@ifieceurope.org

Subject: your open letter of 5 May 2022 to President von der Leyen

Dear IFIEC and Eureopan industry sector associations representatives,

I would like to thank you for your letter of 5 May 2022 addressed to President von der Leyen and Vice-President Timmermans, who asked me to reply on their behalf.

You raise in your letter serious concerns for the European industry sector, due to the current crisis leading to very high prices for energy, and you call for measures aiming at a favourable and competitive climate for maintaining and developing industrial activities in Europe. The Commission fully shares the concerns you raised on the threat to viability and competitiveness of the European industry, especially the energy intensive industries.

As you mention, the Commission adopted on 23 March a new State Aid Temporary Crisis Framework<sup>1</sup> (TCF), with the objective to support the economy and businesses struggling with the excessive energy prices. It enables support for undertakings directly or indirectly affected in the form of limited direct grants, liquidity support and aid for increased gas and electricity costs. The TCF allows Member States to partially compensate all companies, and in particular energy intensive users, for additional costs due to exceptional gas and electricity price increases.

The TCF will be in place until year-end. With a view to ensuring legal certainty, the Commission will assess before that date if it needs to be extended. Moreover, during its period of application, the Commission will keep the content and scope of the Framework under review in the light of developments regarding the energy markets, other input markets and the general economic situation.

Besides, in order to address the crisis in the wider context, the Commission released on 18 May its REPowerEU Plan<sup>2</sup>, which sets the objective of rapidly reducing our

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https://ec.europa.eu/commission/presscorner/detail/en/statement\_22\_1949

<sup>&</sup>lt;sup>2</sup> EUR-Lex - COM:2022:230:FIN - EN - EUR-Lex (europa.eu)

dependence on Russian fossil fuels by fast forwarding the clean transition and joining forces to achieve a more resilient energy system and a true Energy Union. The Plan focuses on energy savings, diversifying energy imports, substituting fossil fuels and accelerating Europe's clean energy transition.

Complementarily and in reply to the European Council's request to the Commission to submit proposals that effectively address the problem of excessive electricity prices, the Commission issued on 18 May a Communication on energy markets "Short-Term Energy Market Interventions and Long Term Improvements to the Electricity Market Design – a course for action"<sup>3</sup>. This Communication sets out a series of additional short-term measures to tackle high energy prices and address possible supply disruptions from Russia. The Communication also sets out a number of areas to be studied for an optimal future functioning of the market, recognizing its benefits and improving its functioning, in order to ensure solid grounds for efficient energy price signals.

My service stands at your disposal for further discussing with the industry sector.

Yours sincerely,

Ditte Juul Jørgensen

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<sup>&</sup>lt;sup>3</sup> Energy Markets (europa.eu)