

To the attention of EU Energy Ministers
cc: Executive Vice-Presidents Ribera and Séjourné,
Commissioners Jørgensen and Hoekstra

Brussels, 27 October 2026

Subject: Ensuring competitive and secure energy this winter and beyond

Dear Ministers,

Once again, Europe is paying the price of its exposure to imported fossil fuels. Bills are rising for households, energy-intensive industries are under pressure, and affordability concerns are visible in the demonstrations in several EU countries calling governments to act. As the power sector, **we take these concerns seriously and want to be part of the solution.**

This winter, we want to find solutions with you that protect both household and industrial consumers without distorting the market. We share Commissioner Jørgensen's view, set out in Dublin on 29 September, that any relief measure must be temporary and targeted. We therefore support the measures outlined in the Commission's toolbox, including Clean Industrial State Aid Framework (CISAF) and the related Middle East Crisis Temporary State Aid Framework (METSAF). By contrast, subsidising gas-fired generation, as is currently being discussed in some countries, would distort the internal market. We would remind policymakers that the **Iberian mechanism** to temporarily cap gas costs used in power generation in Spain and Portugal in 2022 was an exemption based on low interconnectivity and is the wrong model for more interconnected markets. Better solutions exist, as presented in the following page

In the long term, the structural answer is clear: electrification. Every heat pump, electric vehicle and electrified industrial process replaces imported fossil fuel with clean power produced in Europe. The Commission estimates that reaching its electrification objective would cut EU gas demand by 70%.

Against this background, and **ahead of your discussion at the 29 October Energy Council**, Eurelectric would like to share its views on the three priority items on your agenda:

1. **Non-distortive relief now, electrification for lasting security** – support that acts on the bill, not the market, and no subsidies for gas-fired generation.
2. **A post-2030 framework built on electrification** – an electrification target of around 50% by 2040, a technology-inclusive approach and a robust ETS.
3. **Future-proof network charges and taxation** – system-friendly tariffs and electricity never taxed more than gas, so that bills reward clean electrification.

Please find in Annex our recommendations on each of these items in more detail. **Eurelectric stands ready to engage constructively** with you to deliver affordable, secure and clean electricity for Europe's citizens and industry.

Yours sincerely,



Markus Rauramo
President of Eurelectric
CEO & President of Fortum



Kristian Ruby
Secretary General
Eurelectric

In detail: Eurelectric recommendations for the Energy Council of 29 October

1. Energy security: relief this winter, resilience for the long term

Goal: Protect consumers this winter without distorting the internal market, and build long-term security on clean, home-grown electricity.

This winter:

- Make full use of the Commission's toolbox of short-term relief measures, including the Clean Industrial Deal State Aid Framework (CISAF) and the Middle East Crisis Temporary State Aid Framework (METSAF). Keep relief targeted, time-limited and coordinated, delivered through income or financing measures rather than price caps, avoiding price decoupling and market fragmentation.
- Remove non-energy costs from electricity bills.
- Do not subsidise gas-fired generation. Gas price caps are *de facto* subsidies for gas plants that increase gas demand when we should reduce it. The Iberian mechanism was an exemption justified by low interconnectivity. In a highly interconnected market such as Italy, part of the benefit would flow to neighbouring countries through exports while domestic taxpayers or consumers bear the cost, distorting cross-border trade and weakening investment signals.

In the long term:

- Build long-term security on electrification, clean generation, grids, storage and flexibility.
- Protect critical energy infrastructure against physical and hybrid threats. Europe's power assets are being targeted even in peacetime, from subsea cable sabotage to drone incursions and cyberattacks.
- Implement what has been agreed: the reformed market design, the Grids Package and AccelerateEU already contain the tools to lower prices and strengthen resilience.

2. Post-2030 framework: targets that drive resilience

Goal: A framework that makes electrification the backbone of Europe's 2040 climate and energy architecture and gives investors certainty.

How to get there:

- Anchor an electrification target in the post-2030 framework. Building on the Electrification Action Plan's 46% objective, a target of around 50% by 2040 would guide investment in grids, clean generation and flexibility.
- Set a technology-inclusive approach, backed by simple and robust governance, without reopening the rules needed to deliver the 2030 targets.
- Support the 2040 climate target and a meaningful, predictable carbon price, free of *ad hoc* interventions.
- Implement ETS2 to accelerate electrification in transport and heating, rather than postponing or reopening it.

3. Network charges: tariffs that reward efficiency

Goal: Network charges and taxation that reward efficient use of the grid and electrification, without cross-subsidies.

How to get there:

- Keep network tariffs cost-reflective, with a greater role for capacity-based elements combined with static time-of-use signals.
- Place locational signals in connection charges rather than in ongoing network tariffs.
- Address social and industrial policy objectives outside network tariffs, and reward network operators equally for digital and physical solutions.
- Support the proposal's taxation elements: electricity should never be taxed more heavily than gas, and taxes and levies on electricity should be brought to the legal minimum.
- Use grid connection prioritisation to fast-track industries that are electrifying, alongside long-term power purchase agreements (PPAs).