



**European Commission -  
Speech**  
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**Speech by Commissioner Simson in the European Parliament's plenary session on the rise of energy prices and fighting energy poverty**

Strasbourg, 27 November 2024

Dear President,

Honourable Members,

It is an honour for me to address you in my last plenary session as EU Commissioner for Energy.

I remember well introducing the Energy Prices Toolbox back in October 2021 – this was a tool designed by the Commission to tackle rapidly rising energy prices.

At the time, we hadn't seen the worst of the price hikes.

Then in February 2022, Russia brutally and unlawfully invaded our neighbour and ally, Ukraine.

This caused – and continues to cause today – tremendous suffering and injustice for the Ukrainian people.

It also drove European energy prices to soar, leaving many citizens unsure about how to afford their energy bills.

But we did not back down.

Europe stood united.

Under REPowerEU, we managed to reduce energy prices, phase-out most of our Russian fossil fuel imports, and diversify our supply.

We adopted the legal framework to accelerate the clean energy transition and reformed our energy markets to make them more resilient.

In particular, we reformed our Electricity Market Design to reduce the impact of volatile fossil fuel costs and promote cheaper, home-grown and reliable renewable energy sources.

We also reformed our gas markets and enhanced consumer protection, by for example, making it easier for consumers to switch between suppliers.

However, we know the challenge is still there.

There are many factors still impacting our energy prices with upward pressure.

The different measures, in particular the acceleration of renewables deployment and the reform of the electricity market design, will produce its full effects in the medium-term while laying the groundwork for the decarbonised power system.

But for now, the immediate task is to increase the supply of clean energy and to minimise using fossil fuels as the most expensive price-setting technology.

Mario Draghi also makes that clear in his recent report on European competitiveness.

Until we succeed, the fact remains that electricity prices in Europe are higher than in the US, due to higher gas prices.

This in turn impacts our competitiveness and hurts our economies and societies.

But we should not underestimate our potential and progress.

In the first half of 2024, wind and solar for the first time overtook power generation from fossil fuels combined.

This year the EU is crossing the threshold of 500 GW of installed solar and wind capacity.

We also launched the European Industrial Alliance on Small Modular Reactors to facilitate and accelerate their development, demonstration and deployment in Europe by the early 2030s.

These are very impressive milestones.

Honourable members,

Looking at the immediate future, let me assure you that Europe is well prepared for this winter.

Our gas storages are full.

This will help us to maintain a steady gas supply during the winter.

At its meeting on 17th October, the European Council discussed high and volatile electricity prices, in South-Eastern Europe in particular, and asked the Commission to come up with solutions.

The Commission has maintained contact with Member States since the summer, and just last week, our experts visited the ones hardest hit.

They had detailed talks about how to ensure that retail and wholesale markets are functioning well to the benefit of consumers and how to secure enough cross-border capacity in the EU.

These exchanges helped to pinpoint several actions that can improve how retail markets operate, the efficient use of infrastructure, and the potential of demand response and peak shaving.

All these measures serve as a strong foundation for tangible solutions and fully benefit our internal energy market and our consumers.

Honourable members,

Over the past few years, a lot has been done to fight energy poverty.

But none of it would have been possible without the European Parliament.

This House always made sure that energy poverty stayed a top priority and was well covered in EU law.

We now have a new legal framework that requires Member States to prioritise investments addressing underlying causes of energy poverty.

Member States need to ensure that a share of their energy savings come from low income and energy poor households.

They also have a duty to protect vulnerable customers from having their electricity or gas supply cut off.

Another notable initiative is the Social Climate Fund which was created during this mandate.

It will provide at least EUR 86.7 billion to directly support the most vulnerable groups affected by the new Emissions Trading System that applies to fuel combustion in buildings and road transport.

I have also pressed hard Member States to deliver their updated National Energy and Climate Plans, as these remain a cornerstone for analysis and measures on energy poverty.

The Commission is now supporting Member States in transposing and implementing the legal framework, as well as preparing their national Social Climate Plans, and also published an updated recommendation on energy poverty in 2023.

Most of the legal provisions need to be transposed in 2025-2026 so there is a strong focus on implementation in the political guidelines for the next mandate of the Commission.

More broadly, it's also important to consider the many benefits of the energy transition.

More and more consumers are producing and managing their own renewable energy.

That gives them more control and choice, and citizens are empowered to become active participants in the energy market.

Honourable members,

The bottom line is that a lot has been done but of course there is much more to do.

We are really only at the beginning of this journey, and I know that high energy prices and energy poverty will be a top priority for the next Commission mandate.

I look forward to this debate.

Thank you for your attention.

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