



European Union Agency for the Cooperation  
of Energy Regulators

# Wholesale Electricity Market Monitoring 2022

## High-level Analysis of Energy Emergency Measures

20 March 2023

[Report in PowerPoint Format](#)

## ACER's high-level analysis of energy emergency measures is relevant to policy making

- In response to the energy crisis, every Member State<sup>1</sup> introduced emergency measures to support their citizens and economy, and to mitigate security of energy supply risks.
- ACER publishes an inventory of 400+ measures adopted by Member States (September 2021 - February 2023).
- ACER's EU-wide picture of the energy emergency measures:
  - Provides transparency, and
  - Seeks to aid policy makers:
    - As they consider how to deal with future possible energy emergencies;
    - As Member States start to re-evaluate their energy emergency support measures in the context of falling energy prices;
    - Given recent calls for fiscal policy (in the current high inflation environment) to be targeted, tailored and temporary;
    - Lessons from measures taken over the past year and a half could help Member States direct any future energy emergency support measures, when and where deemed appropriate, to those who need it most.

<sup>1</sup> And Norway.

## Measures to mitigate high energy prices and security of supply risks

- When gas prices rose in summer of 2021, Member States introduced measures to protect consumers and the economy.
- The European Commission's [toolbox](#) (October 2021) set out measures that Member States could introduce in line with the legislative framework.
- After the Russian invasion of Ukraine, Member States introduced measures to mitigate security of supply risks.
- The [REPowerEU plan](#) set out actions for Europe to become energy independent of Russian fossil fuels.
- Emergency laws were introduced (see [here](#) an overview of the European Commission's work on tackling the energy crisis).

# ACER's inventory of energy emergency measures

- It collects 400+ measures introduced by Member States<sup>2</sup> from July 2021 until February 2023.
- Sources: Information the European Commission collected directly from Member States, as well as publicly available information (most notably from [Bruegel](#) energy think tank<sup>3</sup>). National regulators validated and complemented the information.
- ACER clusters the measures related to gas and electricity into categories according to criteria such as the primary purpose of the measure or the specific group of (targeted) consumers.

Note: ACER collected information from various sources and with different level of detail, hence the descriptions are not always homogenous. ACER intends to update the inventory as new information becomes available. The inventory does not include information on costs. Hence, percentages are based on the number of measures (not costs).

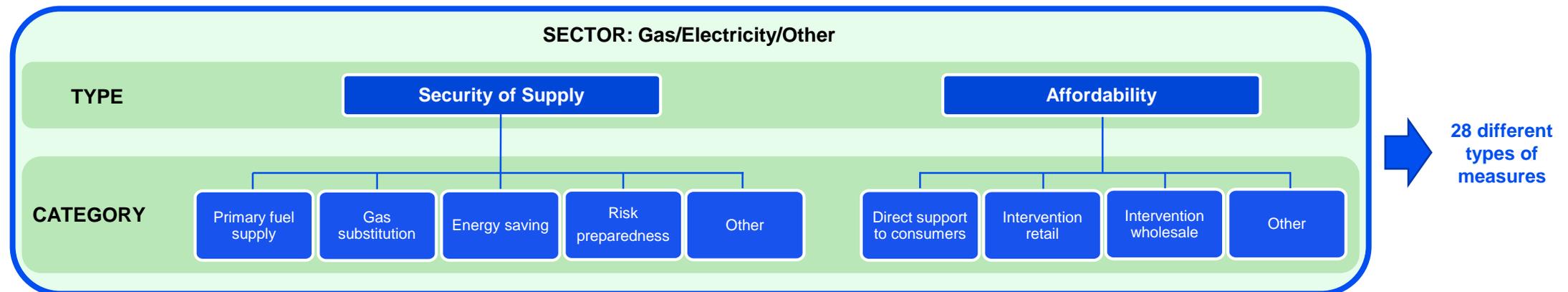


**As this ACER inventory might not be complete, ACER welcomes feedback and recommendations to be sent (by 16 April 2023) to [2023\\_emergency\\_measures@acer.europa.eu](mailto:2023_emergency_measures@acer.europa.eu).**

<sup>2</sup> And Norway

<sup>3</sup> The information from Bruegel was retrieved from the version containing information until November 2022.

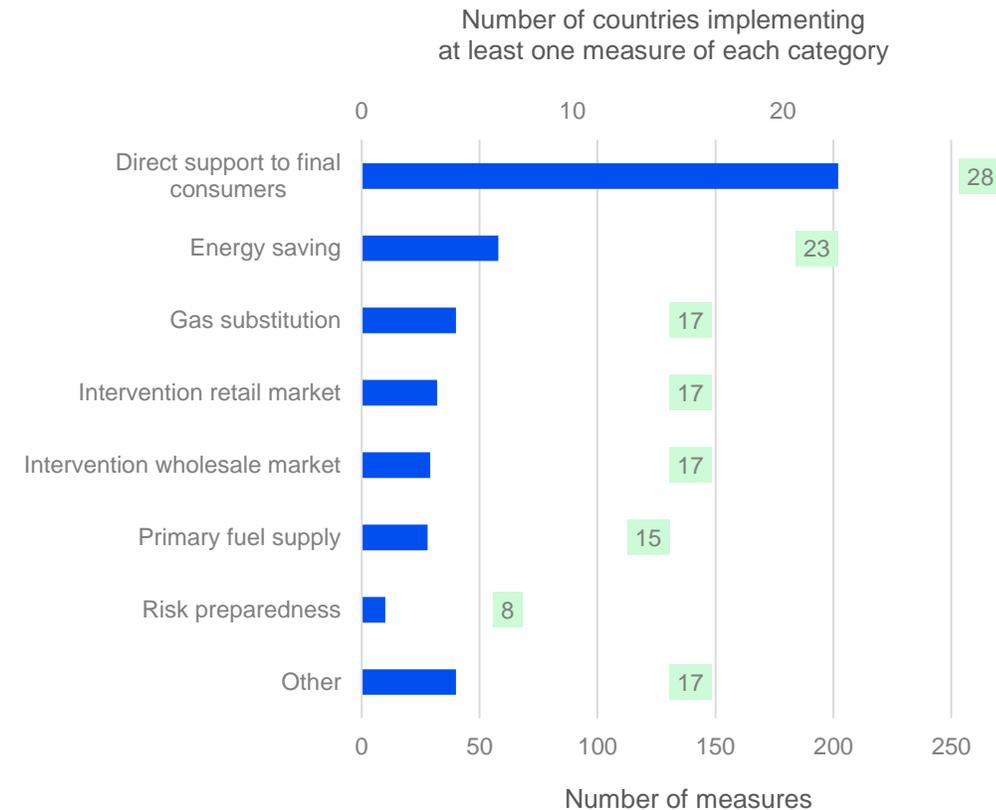
- ACER focused on measures affecting the electricity and gas sectors.
- ACER first grouped the measures to those targeting **security of supply** (e.g. energy saving campaigns, gas storage replenishment, coal revival etc.) and those targeting mostly **affordability** of energy commodities (e.g. vouchers, tax reductions, subsidies etc.).
- Measures were further grouped into eight categories.
- A total of twenty eight distinct types of measures were identified.
- Information regarding the targeted consumer categories was also collected; no reliable and verifiable cost information was available.



# What are ACER's high-level findings to date?

- Every Member State has adopted energy emergency support measures.
- Of the 439 recorded measures, 36% aim at security of supply, while 64% aim to tackle affordability for end-consumers<sup>4</sup>.
- **Nearly 1/2 take the form of a direct support to final consumers:**
  - Almost 1/2 of these measures target households (sometimes with other consumer groups);
  - **Only about 1/4 of these measures target vulnerable consumers.**
- 1/2 of the measures targeting broader security of supply objectives aim at increasing energy efficiency and renewable generation uptake, thereby also contributing to the Green Deal and Fit-for-55 policy goals.
- Some measures aiming at replacing the use of gas for heating or for producing electricity with technologies that are not clean could **hamper** the decarbonisation goals; hence, their use should be limited to areas where alternatives to safeguarding security of supply are not readily available.

## Breakdown of measures



<sup>4</sup> Some of the security of supply measures, like those targeting energy efficiency or gas substitution, have also the potential to reduce the energy bill of consumers. Those measures are however tagged as security of supply measures.

# Affordability measures to tackle high energy prices

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- ACER collected 280 measures aiming to mitigate the effect of high energy prices.
- 72% of these measures offer **direct support** to consumers either in the form of financial support (like vouchers or subsidies) or as interventions **reducing the energy bill** (like tax reductions or freeze of tariffs).
- The latter target the price of energy while the former provide additional income to consumers and are widely considered more appropriate, being less distortive, especially if they target those consumers that are impacted the most<sup>5</sup>.
- 60% of the direct assistance measures refer to income support.
- 2/3 of the affordability measures target specific consumer categories, with more than half of them targeting households (sometimes inter alia). However, **less than 1/3 of these measures target the most vulnerable consumers**<sup>5</sup>.
- The majority of Member States intervened in the wholesale or retail market (or both), with some exceptions (namely Denmark, Finland, Ireland, Latvia, Norway and Sweden). These interventions, include price or bid limits, regulation of retail tariffs, revenue caps and windfall profit taxes.

<sup>5</sup> OECD explains the difference between income and price support in [this](#) relevant publication.

<sup>6</sup> Caveat: Since not all pieces of information had the same level of detail and as the pressure on national budgets increases, the actual number of measures that target the most vulnerable consumers might be even higher than this preliminary finding suggests.

# Breakdown of measures targeting affordability

## Countries introduced at least one measure per category

Direct support - income



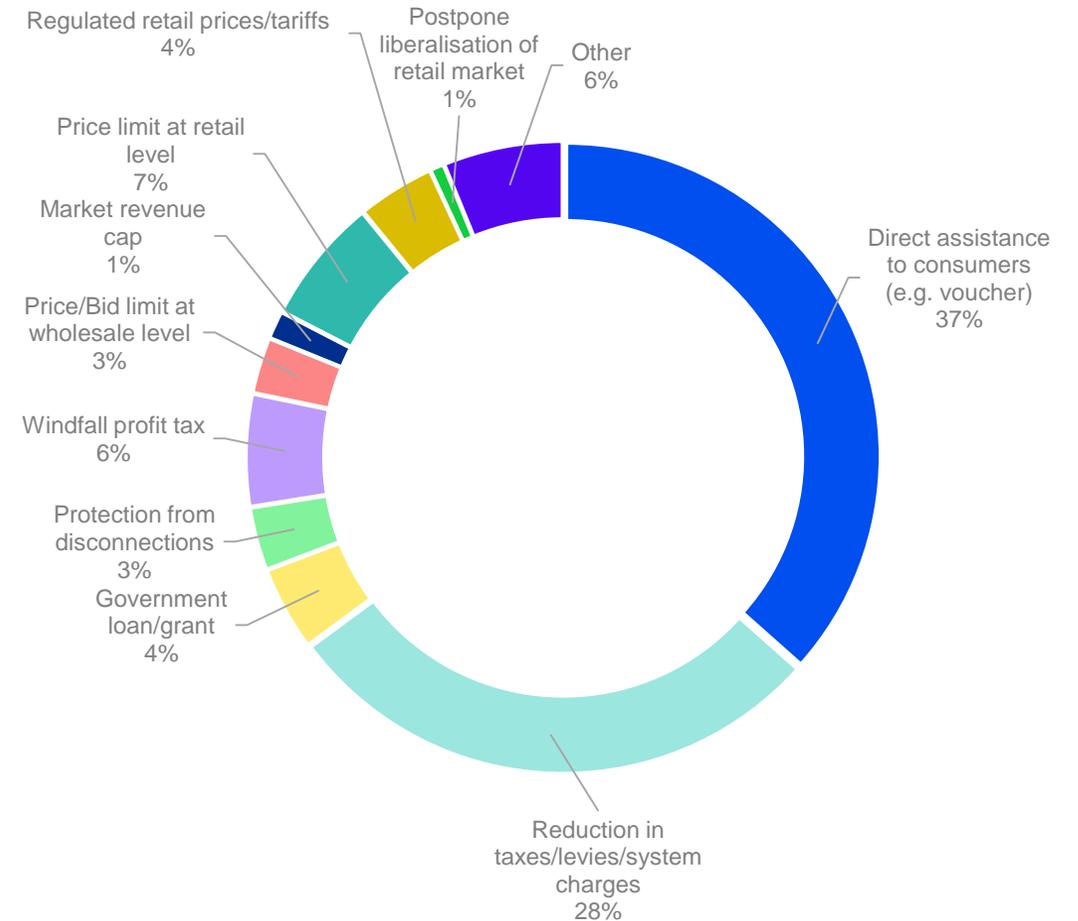
Direct support - purchase cost



Retail market interventions



Wholesale market interventions



# Measures to mitigate security of supply risks

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- Half of the security of supply measures (e.g. energy efficiency programmes, demand reduction campaigns, enhanced renewables rollout) come with potential long-term impacts on energy efficiency and gas substitution.
- 14 Member States introduced additional gas storage measures to address the relevant EU obligations<sup>7</sup>:
  - This measures delivered their purpose of replenishing gas storage;
  - But the high cost of replenishing gas storage (€100bn in 2022)<sup>8</sup> raises lessons for the next round of storage filling<sup>9</sup>, with an aim of learning from national experiences and promoting the commercial role.
- Some measures come as a result of solidarity agreements between Member States; e.g. (the LNG floating terminal commonly procured by Estonia and Finland).

<sup>7</sup> Pursuant to the gas storage [Regulation](#).

<sup>8</sup> Source: the International Energy Agency (IEA).

<sup>9</sup> ACER will soon launch an study to analyse the impact from the storage replenishment measures (e.g. regarding the incentives to storage operators) and the need to spread the filling obligations over several months.

# Breakdown of measures targeting security of supply

## Countries introduced at least one measure per category

Energy savings



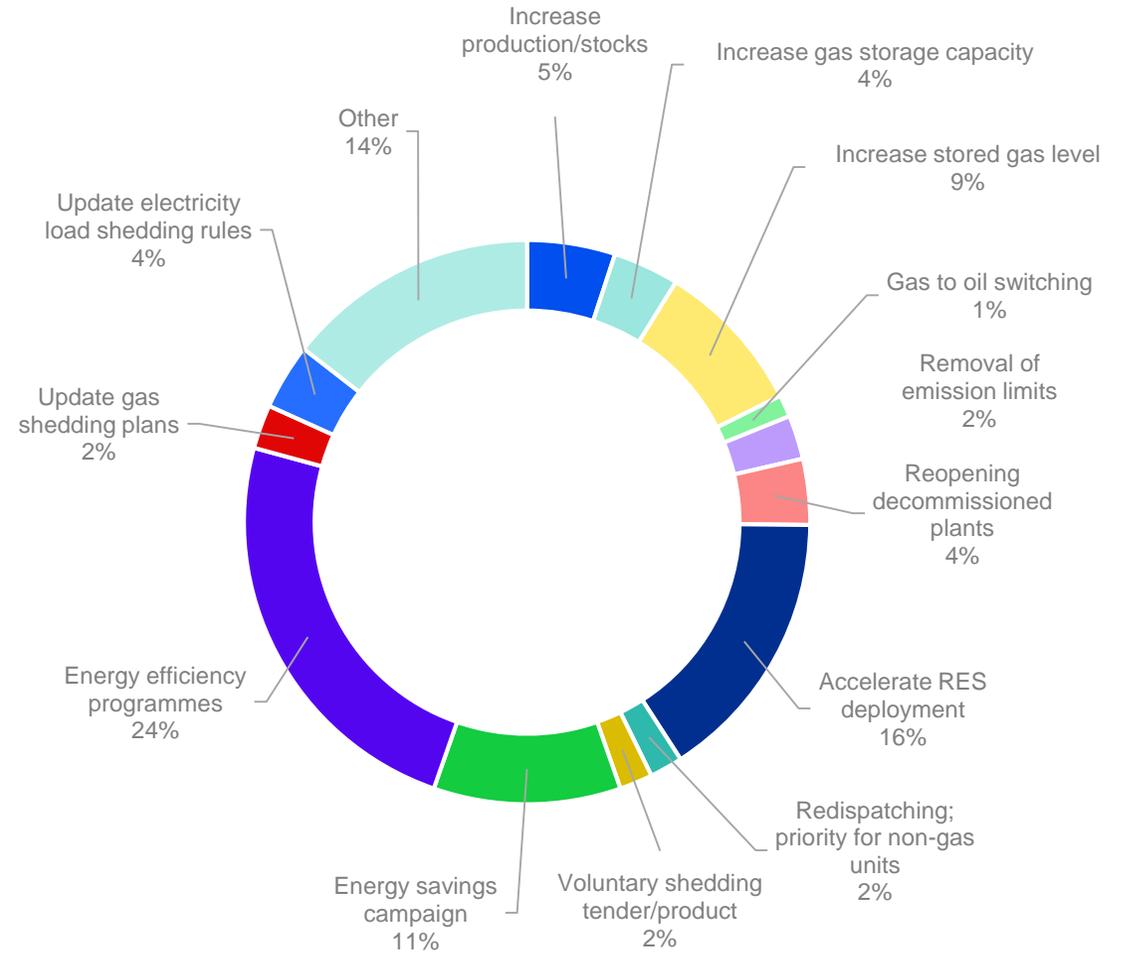
Gas substitution



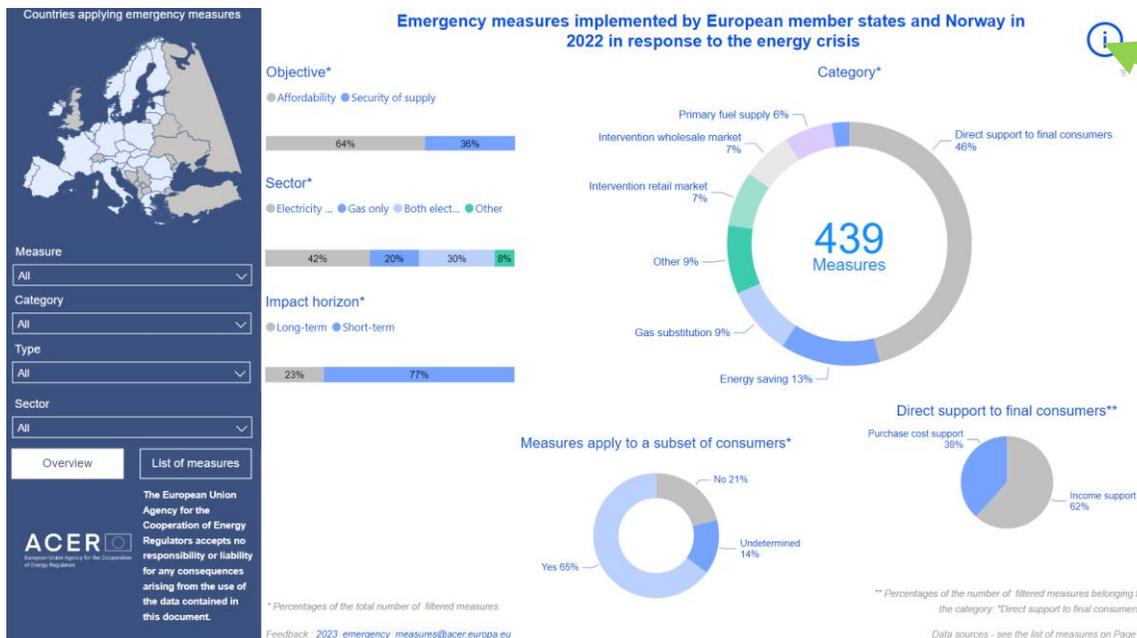
Primary fuel supply



Risk preparedness



- This ACER inventory (March 2023) is the starting point for a fuller assessment of a selection of measures to published (in July 2023) focusing on lessons learnt from the current experience and aiming at assisting policy makers on their preparedness plans for future emergencies.
- Access [ACER's interactive dashboard](#):



How to navigate the dashboard

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