

REPowerEU: Too little, too late

The publication of the REPowerEU Communication marks a change of tune for the European Commission's energy strategy. While The Left welcomes some of the measures contained in the Communication, these are not enough for the magnitude and urgency of the energy crisis faced by people in Europe. Taxing the windfall profits of big energy companies, speeding up the energy transition, fast-tracking renewable energy sources, as well as introducing public control of energy prices are all demands The Left has been voicing for months. Yet the proposals put forward by the Commission limit and circumscribe these measures to the exceptional circumstances in Europe, without tackling the structural issues in the EU energy market.

THE BIG TRAP: LNG, HYDROGEN AND BIOMETHANE

REPowerEU makes a series of bold statements when it comes to phasing out its dependency on fossil fuels from Russia. Unfortunately these statements are not matched with bold actions: in a context where [LNG terminals are already operating at capacity](#), replacing Russian gas with LNG and hydrogen imports entails building more LNG terminals and pipelines which would only go online after 2025. This in turn will lock the EU into further dependence on expensive and climate-wrecking gas, risking the EU's climate plans and its ability to protect citizens from high energy bills.

The Commission's commitment to repurpose all the new gas infrastructure for hydrogen is not promising either. By preserving gas infrastructure and not committing exclusively to green hydrogen the Commission is implicitly accepting that fossil fuels will remain in the EU energy system for decades to come. Similarly, by putting forward biomethane as an alternative energy source, the Commission is leading Europe to a deep lock in to industrial livestock farming which, without strict sustainability criteria, risks derailing the EU's climate commitments.



If the Commission is serious about its climate commitments it should be pointing to expanding renewables and not investing in gas infrastructure which will lock Europe into fossil fuel use for decades.

AVOIDING THE STRUCTURAL ISSUE: ENERGY GOVERNANCE

Energy prices in Europe were skyrocketing well before the war in Ukraine, giving clear signals that the EU energy market was only working for energy companies and their profits. According to Global Witness, [major gas companies have been amassing over \\$220,000](#) a minute while families throughout Europe are being driven into poverty. The Left in the European Parliament, together with several civil society organisations, has been calling on the Commission to revise the 2018 Energy Governance Regulation. Some member states have joined this call but this does not figure in the REPowerEU Communication. While there is (a welcomed) endorsement in the Communication for states to intervene in price setting and to tax windfall profits, the Commission insists that this can only be done “temporarily”, making it too little, too late. Nonetheless, by introducing these measures, the EU Commission is implicitly accepting that the liberalised energy market is not only prone to distress in crisis, landing consumers with the bulk of the cost but, most importantly, it is recognising that it is not fit for purpose. Decades of privatisation of the energy sector have only served to generate a massive increase in energy bills, boosting the profits of big energy corporations.

How can the EU bring forward a rapid roll out of renewable energy sources and reduce the skyrocketing prices faced by people and families in Europe, if the rules of the EU energy model remain the same? The revision of the 2018 Energy Governance Regulation is a necessary starting point for a new energy model.

WE NEED A PARADIGM SHIFT: ENERGY DEMOCRACY AND RENEWABLE ENERGY SOURCES

While the emphasis on fast tracking investments in renewable energy sources is a welcome one, this cannot come at a cost to biodiversity and local communities. Easing permitting may indeed facilitate the uptake of renewables but social and environmental safeguards must continue to be upheld. In this regard, energy communities can play a critical role - unrecognised in the Communication - in guaranteeing significant reductions in energy bills for the most vulnerable households. Energy communities can make a significant contribution to increasing the share of renewables in the energy mix. In addition, they can help balance electricity supply and demand at the local level, which is likely to be increasingly important in a system with a rising share of variable renewables (wind and solar) and increasing [electrification](#). [Studies](#) have also found that citizens who produce their own energy are more concerned with reducing their electricity consumption. Similarly, energy efficiency remains critical to reduce energy consumption.

Diversifying energy supply and breaking the EU's dependency on fossil fuels - regardless of their origin - will only be possible through a radical yet realistic paradigm shift, deploying and strengthening renewable energy sources, energy communities and energy efficiency. The issue at stake here is not how to REPowerEU, but rather how to EMPowerEU to deliver a just energy transition that leaves no one behind.

The [latest IPCC](#) report made it very clear that “The cumulative scientific evidence is unequivocal: Climate change is a threat to human well-being and planetary health. Any further delay in concerted anticipatory global action on adaptation and mitigation will miss a brief and rapidly closing window of opportunity to secure a liveable and sustainable future for all”.

WHAT OUR MEPS SAY



MEP Marisa Matias

Bloco de Esquerda, Portugal

“The problem of energy prices is being discussed without questioning two myths. The first is that the market is able to regulate itself. The second is that we are facing a temporary problem. But these are nothing but myths. The problem is structural and, without changing the rules for setting prices and strengthening public control of energy, everything will continue on the same path, with energy cartels accumulating profits and distributing dividends, energy poverty increasing and citizens and families paying the price of speculation. In addition to that, we must urgently invest in renewables, guarantee a real energy transition and ensure the EU’s energy independence. The European Commission’s proposal to RePower Europe does not address any of these dimensions”



MEP Cornelia Ernst

Die Linke, Germany

“The Commission admitted for the first time that the invisible hand of the market does not magically regulate everything. We welcome the recommendations to introduce public price controls and to tax the windfall profits of corporations, two key demands of our campaign. More has to be done to solve the root causes in the architecture of the energy markets.

Overall, the recommendations focus far too much on shifting existing dependencies on imported fossil fuels without questioning the underlying causes hidden in the architecture of the European energy markets. However, US LNG and natural gas from Saudi Arabia are not a solution either in terms of democracy or climate targets. Only a decentralised energy system based on renewables can be crisis proof and meet the challenges of climate change in uncertain times”



MEP Sira Rego

Izquierda Unida, Spain

“The solution to the current energy crisis lies in the revision of the marginalist market model. We need to go beyond the diversification of the sources of gas: it is useless to switch Russian gas for liquified natural gas (LNG) coming from the US. In light of this, only a fair and publicly controlled energy model promoting renewables will be able to strengthen European energy sovereignty”