

THE LEFT'S PROPOSAL FOR A NEW ENERGY MODEL

10 key demands

For over a year energy prices in Europe have been soaring, yet European institutions have been unable to shield homes and companies from spiralling costs, stalling urgent reforms and postponing decisions from month to month. It is time to stop the talk and work towards a fair energy system, strongly based on renewables and under public control. We cannot accept an inefficient and obsolete system that leaves workers and families in the dark and cold, while it continues to flood the coffers of Big Energy corporations.

With the liberalisation of the gas market, gas supply contracts with long-term fixed prices have been gradually replaced by short-term contracts sold and bought on spot markets (quarterly, monthly, even daily). The liberalisation of EU gas supply has led to greater price volatility and has created a new speculative gas market where each cubic metre of gas actually delivered in Europe is the result on average of more than 25 transactions between purchases and sales. We need to break with the market logic that has caused prices to explode, and return to a stable and predictable price for our gas supply, as it currently exists in Asia and as it worked in Europe before liberalisation.



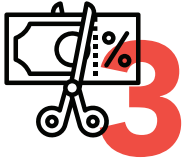
CAP ENERGY PRICES & END ENERGY MARKET RULES

The predictable consequences of the EU energy liberalisation are unfolding before our eyes. The market is collapsing. We need to put an end to the marginalist market and pay for the real price of energy and not the one arising from speculation on the stock exchange. The perverse Platts/Rotterdam Barges Index should be ended and the liquid fuels price and margins starting point should be set at the real production cost. Let's act immediately by putting an effective cap on wholesale energy and gas prices, shielding vulnerable households and small businesses from a deranged market. Before the crisis, energy was sold on average for 50€/MWh, today the Commission proposes to set a revenue cap at 180€/MWh. This is excessively high and allows Big Energy companies to continue making obscene profits. We need a cap close to production costs ensuring affordable energy prices for households and small businesses.

TAX WINDFALL PROFITS OF ENERGY COMPANIES

It is not acceptable to "socialise losses and privatise profits". Some energy companies, but also multinational companies in other sectors, have made record windfall profits in the last months. These profits are the direct result of speculation and have been there for years, these need to be taxed and redistributed, providing liquidity to Member States to finance urgent measures to tackle the energy and the rising cost of living crisis. This windfall tax should not be temporary and limited to 2022 profits and to the energy sector, rather it should include all companies making windfall profits, and the rate should be high enough to collect the necessary financial resources to accelerate the deployment of renewables, roll out a fair energy saving plan and ensure energy efficiency in buildings and homes.



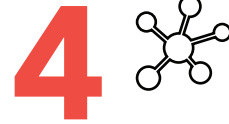


PUBLIC CONTROL OF ENERGY PRICES

Amend the gas regulation which ring-fences the opacity of gas purchases on behalf of big energy companies. Put in place mechanisms to ensure transparency of commercial contracts signed by companies operating in the gas market, place a ceiling on the volume of spot trading and decouple gas and electricity.

PUBLIC CONTROL OF THE ENERGY SECTOR

Design and roll out a publicly controlled energy sector that responds to the multiple crises Europe is facing. Establishment of public enterprises for energy generation and commercialization with a strong focus on renewables. If Member States already have these, ensure the obligation of essential public service establishing regulated low cost rates.



GUARANTEE OF MINIMUM VITAL ENERGY SUPPLY

Put in place a complete ban on gas and electricity disconnections. Ensure minimum vital energy supply quotas based on the exposure to hot or cold climate and cohabitation units. Low prices for the first KWh of consumption and free of charge for vulnerable groups in these minimum energy quotas. Establish carbon equity through a per capita carbon allowance derived from the climate law and the resulting carbon budget, tax higher consumption to finance a clean and just transition.

FAIR ENERGY SAVINGS PLAN

Develop, in collaboration with national and European stakeholders, a plan to ensure a fair and equally distributed reduction in consumption that can strengthen energy resilience. This public planning should take into account the specificities of geographical areas more exposed to extreme weather, as well as the needs of economic sectors ensuring democratic planning of the energy sector.

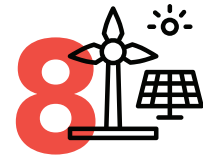


ENERGY EFFICIENCY FOR BUILDINGS AND HOUSING

Urgent plan for energy rehabilitation of buildings and replacement of fossil fuels in housing, businesses and low-temperature industries, while ensuring that these investments do not contribute to speculation in housing prices, leading to evictions. Creation of energy saving certificates for companies within national saving strategies and a greater contribution to National Energy Efficiency Funds for greater public initiatives at the municipal level.

RAPIDLY EXPAND RENEWABLE ENERGIES

Commitment to energy sovereignty through public planning in collaboration with civil society for the deployment of decentralised renewable energy, promoting local, distributed, small and medium-sized energy generation, with the participation of citizen and municipal energy communities and public energy companies. Public planning and control over the expansion of renewable energy should take into account the requirements, possibilities and development strategies of each Member State.



REMOVE GAS AND NUCLEAR FROM THE EUROPEAN TAXONOMY

As a tool, the EU taxonomy is part and parcel of a neoliberal agenda which holds privatisation and liberalisation at its heart. It is this very agenda, which has brought Europe on the brink of the energy collapse. A classification system for green investment which includes gas and nuclear as green investments in this context is not only misleading but also dangerous, worsening the current energy and climate crisis.

RAISE WAGES, NOT BILLS!

The soaring energy prices are the primary cause for inflation across Europe. Workers and families are once again bearing the cost of this crisis while multinationals keep making extra profits thanks to a fraudulent market. We need to put an end to these growing inequalities. Wages, social security and pensions need to be urgently raised above the inflation rate, as was the case in the energy crisis of the 1970s.

