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Answer given by Ms Simson
on behalf of the European Commission
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The Commission collects data on ‘energy subsidies’ using internationally adopted approaches based on methods developed by the World Trade Organisation and the Organisation for Economic Co-operation and Development. These refer to the fiscal cost from specific government interventions, or initiatives by national, regional, or local governments, that aim to keep energy prices for consumers below market levels (e.g. reduced tax rates on road transport fuels for certain users) or for energy producers above market levels (e.g. feed-in tariffs); or to reduce energy costs for consumers or producers by granting specific benefits.

Fossil fuel subsidies are a subset of these energy subsidies and are designed to support the production or use of fossil energy sources. Eurostat defines¹ fossil energy sources as non-renewable energy sources such as coal, natural gas and crude oil – that originate from plants and animals that existed in the geological past and published a glossary that provides an exhaustive list of fossil fuels. This definition is reflected by the Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action², whose Art. 2 (62) specifies that ‘fossil fuel means non-renewable carbon-based energy sources such as solid fuels, natural gas and oil.’

Since 2014 the Directorate-General for Energy, has commissioned an annual study on energy subsidies and other government interventions in the EU³. The majority of fossil fuel subsidies in the EU are usually tax-related measures, though in response to the energy crisis price-related transfers have temporarily seen large increases.

¹ See: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Fossil_fuel

² Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (OJ L 328, 21.12.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1999/oj>).

³ REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL: 2023 Report on Energy Subsidies in the EU (COM/2023/651 final).