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E-000465/2025

Answer given by Mr Jørgensen  
on behalf of the European Commission  
(22.4.2025)

The Commission recognizes the need to mitigate the impact of fossil fuels, and in particular volatile gas prices on electricity production costs. The European electricity market design reform strengthens the role of power purchase agreements (PPAs) and two-way contracts for difference (CfDs) to stabilize the prices of electricity supply in the long run, thereby lowering the impact from gas prices and ensuring reaping the benefits from decarbonised electricity. More recently, the Action Plan for Affordable Energy<sup>1</sup> has announced further measures to support the roll out of these long-term contracts.

The revision of the Electricity Market Design carried out in 2023<sup>2</sup> also promotes non-fossil flexibility to support the phase out of gas from the electricity mix, and allows consumers to make themselves less dependent on volatile short-term markets. The Commission reiterates the importance of a swift transposition of this legislation supports Member States in their implementation of these new rules.

More generally, the Action Plan for Affordable Energy, part of the Clean Industrial Deal<sup>3</sup>, sets out measures to address these challenges such as efficiency measures, renewable energy deployment, accelerating permitting, grids, storage and reducing systems costs, including an European Investment Bank pilot programme offering counter-guarantees for PPAs undertaken by companies for an indicative amount of EUR 500 million. These efforts will help stabilise energy costs by promoting PPAs and CfDs, improving the efficiency of our energy system and phasing out fossil fuels faster from our energy mix.

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<sup>1</sup> [https://energy.ec.europa.eu/strategy/affordable-energy\\_en](https://energy.ec.europa.eu/strategy/affordable-energy_en)

<sup>2</sup> [https://energy.ec.europa.eu/topics/markets-and-consumers/electricity-market-design\\_en#:~:text=achieve%20climate%20neutrality,-.Reform%20of%20the%20electricity%20market%20design,the%20Green%20Deal%20Industrial%20Plan](https://energy.ec.europa.eu/topics/markets-and-consumers/electricity-market-design_en#:~:text=achieve%20climate%20neutrality,-.Reform%20of%20the%20electricity%20market%20design,the%20Green%20Deal%20Industrial%20Plan)

<sup>3</sup> [https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal\\_en](https://commission.europa.eu/topics/eu-competitiveness/clean-industrial-deal_en)