

CIVIL SOCIETY RESPONSE TO THE GAS PRICE CRISIS

Brussels, 2 March 2022

Dear Commissioner Simson,

Soaring gas prices have left millions across Europe at the mercy of a volatile energy market.

It has never been clearer: **the energy system is failing**. We are experiencing the worst 'winter of disconnections' we have seen in decades. It has failed to provide the energy we need for survival and well-being, and the result has been widespread inequality and suffering. Reliance on fossil fuels has been unable to match the scale of the transition urgently needed to address the climate crisis. Yet, [fossil fuel corporations continue to reap massive profits](#) even as uncertain and arbitrary gas prices plunge households into energy poverty.

This crisis hasn't come out of nowhere, [1 in 4 European households](#) already struggled to adequately heat, cool, or light their homes. Now, millions more are forced into impossible choices, between eating or heating their homes. Energy poverty is not a personal failure, or an issue that can be tackled by individuals acting alone. It is a structural failure; a political choice that requires a political response.

There are deep, structural causes: Europe's entrenched profit-driven energy system, together with its decrepit, inefficient building stock has left us over-reliant on fossil fuels. These unaddressed root causes of Europe's energy poverty are now being exacerbated by multiple other crises. The social injustice at the heart of Europe's gas crisis reflects the same issues driving our ongoing climate crisis; **an energy system that does not serve people or the planet, but only profit.**

There are also immediate causes: We see how the impact of the COVID-19 pandemic, weather extremes, geopolitical developments, and the structure of pricing in the energy market have come together to drive a large spike in energy costs this winter. It's also clear that those already living on lower incomes, in poorly insulated homes, and often reliant on fossil gas for heating, have been the worst hit by these interlocking structural weaknesses.

We believe access to clean, affordable energy must be established as a human right. Everyone deserves a decent, liveable home that doesn't contribute to the climate crisis.

But it's clear the energy system is failing Europeans. EU policymakers have consistently prioritised fossil fuels and corporations. As a result, energy bills soar alongside record-breaking corporate profits. We see, this winter, **freezing homes and a warming planet.**

It appears that the fossil fuel industry has Europe over a barrel.

People will freeze without short-term emergency support. People will fry without long-term fixes.

This must be the last winter of disconnections. Now is the time to take ambitious action so we don't replicate this dependency for decades to come.

We need to reconstruct the system to ensure a right to clean, affordable energy - and to stay within our planetary limits. This letter is a response, led by groups living in energy precarity across Europe and supported by Friends of the Earth Europe and many allies and members of the [Right to Energy coalition](#), who have come together to share immediate and long-term measures to EU and national leaders. It is a platform for those on the frontlines of the energy and climate crisis to have their solutions heard.

- **In the face of this winter's crisis, we need to mobilise:**

a) Emergency support to ensure that no-one dies for lack of affordable energy.

b) Long-term solutions so we don't replicate and reinforce our dependency on fossil fuels time and time again.

- **To respond to the gas crisis, we need:**

IMMEDIATE ACTION

1. Immediate emergency support for those in need of energy

When supporting people's right to energy in a system dominated by fossil fuels, governments are at the mercy of those fossil fuel companies. Immediate financial support is crucial to shield vulnerable households but risks perpetuating the problem.

As communities on the frontlines of the gas crisis, we do not want to see our governments held hostage by fossil fuel greed.

We do not want indefinite hand-outs on our behalf to fund the climate crisis. This must be designated and specifically designed as short-term relief, and constantly benchmarked against what is being done to phase out the immediate need.

Short term support is crucial. However, these measures must be:

- a) **Time limited** with a clear end date.* These must also be matched with support from governments for long-term fixes with urgent investment in home insulation and renewable energy on the scale commensurate with the emergency.
- b) **Conditional**,* states must require companies who benefit from state support to reciprocate to the energy poor, e.g., by funding subsidised renovation and renewable programmes for their customers.
- c) **Visible and transparent*** including public announcements about where money is going (directly and indirectly), who is benefitting, profits, including figures on executive salaries & bonuses, dividends to shareholders, and investments.
- d) **Include long-term requirements**.* there should be an increase in taxation on the oil, gas, and coal industries. The proceeds should be used for one, or all of the following purposes:

I) Immediate financial relief for people who cannot afford to keep warm

II) Subsidised renovation and **renewable** programmes targeted for low-income households

III) On the “polluter pays” principle, funding for health services, particularly those treating cancer, heart conditions, and other diseases caused in part by fossil fuel pollution

2. Windfall tax

A windfall tax¹ on the extortionate fossil fuel profits from recently inflated prices, that develops into a more permanent responsibility for fossil fuel corporations, **in recognition of social contribution to the costs accruing from this industry**. This should avoid damaging investment in renewables.

3. No more disconnections

This is rooted in the right to energy and energy as a basic need, in line with the [European Pillar of Social Rights principles on access to essential services](#).

- a) **Absorb the costs**: Debts should be absorbed from industry profits, taking care that industry does not just transfer costs from people who cannot pay, to people who may be slightly better off, forcing some into poverty who were getting by before.
- b) **No imposition of prepayment meters**: Where such meters (which effectively force people to disconnect from their supply) exist, [careful measures must ensure that users have enough money or credit to meet their basic needs](#).

¹ **Windfall tax**: A tax levied on unexpected, excessive profits; ones often extracted under difficult economic circumstances.

MEDIUM-TERM ACTION

4. Fair energy pricing

To ensure poorer people are no longer made to pay more. National boards should be established to enact:

- a) *An end to discriminatory pricing* e.g. charging higher tariffs to people on [pre-payment meters](#)
- b) *"Energy for All"*: A free band of energy to cover basic needs: a flat rate provision of a band of energy as a universal basic service, available to all, this would ensure that low users pay less per kWh than high energy users, instead of, as at present, paying more. It can be funded through windfall taxes, an end to fossil fuel subsidies, and/or a rising block tariff on wealthy high-use customers.
- c) *Close examination*, with a view to elimination, of the various ways in which low energy users and low-income households are disadvantaged in current pricing systems, including discounts for direct debits, higher tariffs for users of prepayment meters, punitive debt repayment requirements, punitive standing charges, inability to switch supplier, and more.
- d) *Transparency in energy pricing*, including profit margins of wholesalers as well as retail suppliers, costs of the grid, administration and billing. These measures should be used in harmony with our existing structural demands to address the root causes of energy poverty which include inefficient, unsafe housing and an unjust energy market, and with the need for a just, swiftly accelerated transition to renewables.

LONG-TERM SOLUTIONS

5. Substantial investment

Substantial investment towards deep renovation programmes and renewable energy schemes is needed now to make these accessible to people that need them most.

- a) ***Fully subsidised deep renovation programmes*** across the EU for those that need them most. Indecent housing is a scandal across Europe, linked to over [100,000 premature](#) deaths a year and a public health burden of over [€140 billion](#) across the EU. We must provide decent and safe housing for all as well as cutting energy bills.
- b) ***Large investment in renewable programmes for vulnerable groups, as well as addressing the upfront cost of community energy ownership*** models.
- c) ***Phasing out fossil fuel infrastructure in our homes***, including a ban on fossil fuel infrastructure in new & existing buildings as well as regulating the sale of fossil fuel boilers. A regulatory approach is more effective for climate and social action than regressive carbon pricing, which leaves low-income households locked into fossil fuels to pay the price for the bill for our energy transition.

We need to reduce our energy consumption and take ownership of our energy system, turning dependency and vulnerability into power and resilience. It's time for Europeans to transition from passive victims of fossil fuels, to active prosumers of clean energy. **These are crucial steps to provide clean, affordable energy for all.**

The above proposals must be assessed by these key criteria:

SUSTAINABILITY

- Any emergency government support enabling people to pay their energy bills must be more than match-funded by additional resources devoted to energy efficiency and development of renewable energy.

- **Proposed measures must prevent government money or resources being used to invest in fossil fuels** when they could be used for renewables, energy efficiency, and financial relief, or could bring in money or resources for the state or others to use for those purposes.
- Proposed measures must, where possible, **incentivise a switch by customers, to renewables, energy efficiency, and using less energy**. They must in any case avoid incentivising the use of fossil fuels as an alternative to these transitions.
- **Clear targets should be set and progress monitored on medium and long-term measures.**

SOCIAL JUSTICE

- **Wealth must be redistributed progressively** from those who have most to those who have least. Measures must ensure that people can afford to heat, cool, eat, and cover their other necessary expenditures.
- **Transparency is essential:** the winners, losers, costs and benefits of any solution must be clear, including whether it is low- or high-income households who benefit most
- **Relief for people in Europe must not be accomplished at the expense of people in the global South** and others who are at greater risk of poverty, exploitation, and climate change.
- Both financial and energy efficiency measures must be implemented in a way that is **affordable and accessible for all low-income households**, overcoming any barriers based on lack of money, time, space, education, digital access, meter type, housing tenure, benefits entitlement, nationality, social stigma, or due to language or geography.

We call on EU decision makers and national leaders to take action from their citizens. Together we can work towards an energy system which serves people and our planet.

Signed,

ORGANISATION	
Friends of the Earth Europe	Rescoop
Fuel Poverty action	ECODES
Redazione Emergenzaclimatica.it	EAPN
Movimento No TAP/SNAM Brindisi	Amigos de la Tierra
Campagna Per il Clima Fuori dal Fossile	Global Witness
Corporate Europe Observatory	COFACE
Gastivists	Alleanza contro la Poverta Energetica
Comitati cittadini per l'ambiente	Enginyeria Sense Fronteres Catalonia
Associazione Salento Km0	Zelena akcija/FoE Croatia
COBAS Confederazione Comitati di Base	Forum Ambientalista
Coord.ravennate "Per il Clima - Fuori dal Fossile"	Housing Europe
Parents For Future Bologna	Deutsche Umwelthilfe eV
Trivelle Zero Molise	Global 2000
Terrablu	350.org
Trivelle Zero Marche	Za Zemiata
RWADE	Milieudefensie
Geres	Ecologistas en Acción
Habitat for Humanity Bulgaria	European Network Against Racism
Transform Europe!	Friends of the Earth Malta
Equinox	Friends of the Earth Ireland
Transnational Institute	

Logos

