



TOGETHER FOR A FAIR DEAL FOR WORKERS

LV/BL/LDNL/ch
Brussels, 05 March 2026

To: Ministers of Energy of the European Union

[Letter sent by e-mail]

Subject: Letter to the Energy Ministers ahead of the Orientation Debate on Energy Prices

Dear Ministers,

Ahead of the College orientation debate on energy prices on 6 March, the European Trade Union Confederation (ETUC) wishes to underline a central point: Europe's competitiveness, industrial resilience and social cohesion depend on structurally lower and more predictable energy costs, with electricity prices at the core of this challenge.

The recent energy crisis exposed Europe's structural vulnerability to fossil fuel dependence and external price shocks. While emergency measures mitigated the impact, they did not correct the structural drivers of volatility. A durable European response must address electricity price formation, grid constraints and the financing model of energy infrastructure.

Electrification is central to Europe's decarbonisation and industrial strategy. For it to become a competitive advantage, electricity prices must reflect the real costs of clean generation and remain internationally competitive.

1. Reform electricity price formation

European electricity prices remain structurally disconnected from the cost of producing decarbonised power. Even where renewables dominate the generation mix, fossil gas continues to set wholesale prices too frequently. This pricing model is misaligned with a decarbonised system and amplifies imported gas volatility, weakening competitiveness and increasing energy poverty.

The Commission should present options to move beyond a system where fossil fuels determine overall electricity prices. This must include replacing marginal pricing with an aggregate cost approach based on real production costs and effectively decoupling electricity prices from gas price setting. Reform should ensure that households and industry benefit from the lower operating costs of renewable and low-carbon generation.

Electricity prices should better reflect actual production and procurement costs, and targeted price control mechanisms should be considered to protect households from excessive volatility. Public support schemes for decarbonised energy must include claw-back mechanisms to prevent excessive profits and ensure that public intervention



contributes to price moderation rather than windfall gains. Affordable electricity must become a structural feature of Europe's energy system, underpinning industrial electrification and social acceptance of the transition.

2. Treat grids as strategic European infrastructure

Lower wholesale prices alone will not deliver affordability if grid constraints persist. Transmission and distribution networks are decisive for electricity costs and renewable deployment. Grids must be recognised as essential European public goods and long-term public assets, central to energy security and industrial policy. Without accelerated expansion and modernisation, cheaper renewable generation will not translate into lower final prices.

A European acceleration plan is required, including streamlined permitting, stronger cross-border interconnections and reinforced EU-level planning capacity. Grid financing must not result in rising network tariffs that disproportionately burden households and SMEs. A publicly anchored investment framework is necessary to ensure that infrastructure development supports price stability rather than cost escalation.

3. Financing energy infrastructure in the public interest

The debate on energy prices is inseparable from the way Europe finances its energy infrastructure. Investment structures directly shape long-term electricity costs. While private capital can complement public action, it cannot substitute for public investment capacity and effective oversight. Durable price reduction requires a financing strategy anchored in the public interest.

The Commission should therefore consider a framework that:

- Establishes a dedicated European investment capacity, including common borrowing where appropriate, which is additional to existing MFF resources and does not come at the expense of cohesion policy or social funding.
- Ensures sufficient fiscal flexibility and an enabling State Aid framework to support industrial electrification and grid expansion.
- Places public and municipal ownership at the core of strategic grid and renewable infrastructure development.
- Reduces capital costs through public financing instruments to avoid transferring investment risk to consumers via excessive regulated returns.

Sustainable reductions in electricity prices require coherence between market design reform, infrastructure planning and financing structures. Without structural reform, Europe risks maintaining electricity prices that weaken industrial competitiveness and strain social cohesion.

The ETUC stands ready to engage constructively with the Commission in advancing these objectives.



Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Voet', with a horizontal line drawn underneath.

Ludovic Voet
ETUC Confederal Secretary