



European consumers and industry to benefit from clean, secure and stable energy supplies with key market reforms now adopted

Brussels, 21 May 2024

The Commission welcomes today's adoption of important electricity and gas market reforms and the new regulatory framework to boost the development of hydrogen and other decarbonised gases. These reforms highlight Europe's determination to **pursue the clean energy transition while enhancing security of supply and consumer protection** and building on the lessons learnt from the energy crisis.

Future-proof energy markets will **stimulate investments in clean energy** and facilitate **lower and more stable prices** which are key to make European industry more competitive on the global stage. With the adoption of the revised electricity market design and the decarbonised gas and hydrogen package, the EU has further tools to reach its energy and climate targets under the [European Green Deal](#). The updated gas market framework gives Member States the possibility to stop or **limit imports of both piped gas and LNG from Russia** and Belarus, in line with the [REPowerEU](#) objectives.

Better protected and more competitive power consumers

The electricity market reform gives consumers a **wider choice of contracts** and **clearer information** before signing contracts. They will have the option to lock in secure, long-term prices as well as to have dynamic pricing contracts to take advantage of price variability to use electricity when it is cheaper. Member States will have to establish **suppliers of last resort** so that no consumer ends up without electricity. **Vulnerable consumers and the energy poor will be protected from disconnection** and Member States will be able to extend regulated retail prices to households and SMEs in case of a crisis. On top of consumer protection, **energy sharing** is also strengthened. As an example, tenants will be able to share surplus rooftop solar power with a neighbour.

The reform will also help European businesses stay competitive by giving them access to **more predictable energy costs**. It creates the conditions for both suppliers and consumers to benefit from the **expanded use of longer-term market instruments** such as Power Purchase Agreements, two-way Contracts for Difference and forward contracts. This will provide investment certainty to both power producers and industrial consumers. Overall, both households and companies will be able to benefit from the **lower costs of renewables**, whose integration and availability will also be boosted by the new provisions on grid congestion, trading deadlines, demand response and storage, as well as EU-level auctions.

Finally, to ensure EU consumers will benefit from competitive markets with transparent price-setting, the Agency for the Cooperation of Energy Regulators (ACER) and national regulators will have enhanced ability to **monitor energy market integrity and transparency**.

A cleaner and more secure European gas market

The new framework for the gas market will **facilitate the uptake of renewable and low-carbon gases** while ensuring **security and affordability of energy for all European citizens**. The reform of the gas market ensures that decarbonised gases and hydrogen can flow across Europe. In particular, the reforms will lead to the creation of a market for hydrogen, which will be key to curb emissions in hard-to-abate sectors such as heavy industries and transport. The Commission will also pilot a five-year project to bring together demand and supply of hydrogen to enhance market development and transparency under the [European Hydrogen Bank](#).

Consumers will be better protected against supply and price risks. They will be empowered to take an active role in the market and to select cleaner supplies and contracts. Practically speaking, they will be able to **switch suppliers more easily, use effective price comparison tools, get accurate, fair and transparent billing information**, and have better access to data and new smart technologies.

Next steps

Following today's adoption, the revised legislation will now be published in the Official Journal of the Union and its provisions will enter into force according to specific timelines.

Background

The Commission put forward the decarbonised gases and hydrogen package in [December 2021](#) as part of the European Green Deal. It was provisionally agreed by the co-legislators [in December 2023](#). The proposals followed the strategic visions set out in the [EU Energy System Integration Strategy](#) and [EU Hydrogen Strategy](#) in 2020. The revision of the electricity market design was [proposed in March 2023](#) to respond to the call of EU Leaders to come forward with a reform to secure European energy sovereignty and achieve climate neutrality. It was presented as part of the [Green Deal Industrial Plan](#) and provisionally agreed by the co-legislators in [December 2023](#).

For More Information

[Questions and Answers on the reform of the Electricity Market Design](#)

[Questions and Answers on the Decarbonised Gases and Hydrogen package](#)

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Quotes:

"Stable prices and clean energy are key for our citizens to live a better life and for our businesses to prosper in Europe while competing fairly on the global market. Under this updated framework, European households and businesses will benefit from more security, affordability and transparency on the European energy markets. This is good for the clean energy transition and this is good for the economy."

Maroš Šefčovič, Executive Vice-President for European Green Deal, Interinstitutional Relations and Foresight - 21/05/2024

"The energy crisis brought about major changes to the EU's energy landscape. Once largely dependent on Russian supplies, Europe is now moving on to the electricity and gas markets of the future, where there is no space for Russian gas and where renewables, clean gases and hydrogen have a central role. I particularly encourage all Member States to make use of the new REPowerEU provisions to end Putin's access to our energy markets as soon as possible."

Kadri Simson, Commissioner for Energy - 21/05/2024

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