



## Commission brings relief to European consumers and businesses with Action Plan to save €260 billion annually by 2040

Brussels, 26 February 2025

The EU is at a crucial turning point for its competitiveness, decarbonisation and security, with a clear need to act. Structurally high energy costs are hurting our citizens and businesses. The challenges are clear, and so is the role of the European Union to address them. Today, the Commission is putting forward an [Action Plan](#) with short-term measures to **lower energy costs, complete the Energy Union, attract investments** and be **better prepared for potential energy crises**. As a key component of the [Clean Industrial Deal](#), this Plan will not only bring relief to households facing high energy bills, but also to industries that struggle with high production costs, with **estimated overall savings of €45 billion in 2025**, that will progressively increase until **€130 billion in annual savings by 2030** and **€260 billion by 2040**.

The Action Plan will bring short-term relief to consumers and pave the way for the **completion of the Energy Union** by frontloading the benefits of more renewable energy, energy savings, deeper market integration and better interconnections. Crucially, it proposes actions to **tackle the structural challenges that are driving up energy costs in the EU**, notably Europe's reliance on imported fossil fuels and lack of full integration of the electricity system. The Plan builds on the recent reform of the Electricity Market Design, the [REPowerEU Plan](#), sector-specific blueprints for wind, solar and grids and revised energy and climate legislation under the Fit for 55 package.

By accelerating investments in clean energy and infrastructure, and by bringing transparency and fairness to gas markets, energy can be made more affordable. A further **reduction of permitting times for renewables and energy infrastructure** will also help lowering power production costs. Consumers already benefit from around €34 billion every year thanks to the EU's internal energy market. **Further integration** could raise such benefits up to **€40-43 billion per year** already by 2030.

President Ursula **von der Leyen** said: " *We're driving energy prices down and competitiveness up. We have already significantly reduced energy prices in Europe by doubling down on renewables. Now, we are going a step further with the Affordable Energy Action Plan as part of our Clean Industrial Deal. With it, we will achieve more predictable prices, stronger connections across Europe, and increased energy uptake. We will systematically remove remaining obstacles so that we can build a true Energy Union.*"

### Lowering energy costs to provide immediate relief to consumers while completing the Energy Union

To **make electricity more affordable**, the Commission will tackle all three components of energy bills, namely network and system costs, taxes and levies and supply costs. We will make recommendations to the Member States to lower national taxes on electricity and enable consumers to switch suppliers more easily towards cheaper energy offers, among others. Building on existing EU electricity legislation, the Commission will also further support the **uptake of long-term supply contracts** which ultimately help break the link between retail electricity bills and high and volatile gas prices. To lower the network charges part of the energy bill, it will propose a methodology to ensure network charges reflect the costs of the energy system, incentivising the most efficient use of the grid.

Together with support to bring more and faster renewables, the Commission will also bring about significant benefits for consumers by supporting a broader uptake of **energy efficiency solutions**, which can lead to savings of up to €162 billion per year in 2030. An EU guarantee scheme to be developed in cooperation with the European Investment Bank will help de-risk investment in energy

efficiency services and facilitate access to more efficient appliances and products with longer lifetimes.

EU gas prices are too high and are affecting the competitiveness of the European industry. To ensure fair competition, the Commission will **step up its scrutiny of the EU gas markets** with the help of the Agency for the Cooperation of Energy Regulators (ACER), the European Securities and Markets Authority (ESMA) and national regulators. We will also **engage with reliable LNG suppliers** to identify additional cost-competitive imports and harness the Union's purchasing power by aggregating demand from EU companies.

Ultimately, deeper integrated, well-functioning and decarbonised energy markets are the best shield against price volatility. This is why the Commission will strive to **complete the Energy Union**, with more interconnectors, a stronger grid and cross-border trading, and will roll out a set of initiatives to boost electrification and the decarbonisation of the heating and cooling sectors, to mobilise private capital and further digitalise the energy system, among others.

### **Being better prepared for potential crises**

Security of supply is key to ensure prices remain stable. The Commission will update the EU energy security framework to address emerging threats such as cyber-attacks, critical infrastructure sabotage and risks from reliance on imports. It will also step up **preparedness for potential price crisis**, among others, by issuing guidance to Member States on how to reward consumers to reduce consumption at peak times and keep energy bills in check.

### **For more information**

[Questions and Answers on the Action Plan for Affordable Energy](#)

[Factsheet on the Action Plan for Affordable Energy](#)

[Action Plan for Affordable Energy](#)

[Press release on the Clean Industrial Deal](#)

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Quote(s):

*"We're driving energy prices down and competitiveness up. We have already significantly reduced energy prices in Europe by doubling down on renewables. Now, we are going a step further with the Affordable Energy Action Plan as part of our Clean Industrial Deal. With it, we will achieve more predictable prices, stronger connections across Europe, and increased energy offtake. We will systematically remove remaining obstacles so that we can build a true Energy Union."*  
Ursula von der Leyen, President of the European Commission - 26/02/2025

*"There can be no clean transition without access to affordable energy for all. By bringing down energy bills, this Action Plan will benefit European citizens and ensure European businesses stay the course on decarbonisation, thrive economically and become more competitive on the global stage. At the same time, it will ensure that the transition remains a socially fair process, leaving no one behind."*  
Teresa Ribera, Executive Vice-President for Clean, Just and Competitive Transition - 26/02/2025

*"Today's challenges demand bold and ambitious actions to both reduce energy prices and safeguard our security. The answer to these challenges lies in a cleaner, cheaper, more efficient and connected Energy Union. This is why we will not step back on the green transition. We will step forward, with determination and urgency."*  
Dan Jørgensen, Commissioner for Energy and Housing - 26/02/2025

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