To: Vice-President Teresa Ribera

CC: Commissioner Dan Jorgensen

Open letter to the EU Commission on measures to cushion the negative effects of the energy crisis

Brussels, 6 November 2026

Dear Vice President Ribera,

Dear Commissioner Jorgensen,

We are writing about the ongoing fossil-fuel crisis and the recent initiative the EU Commission has taken in the context of the impacts from the Strait of Hormuz.

This fossil-fuel crisis has to be Europe's last. Lowering taxes on fossil fuel is adding fuel to the fire: instead of mitigating the adverse effects of the current energy crisis, it supports continued fossil-fuel dependency and aggravates the problem. It is a missed opportunity to catalyse resilience, increasing the likelihood of future crisis. Moreover, it harms the climate, deepens social inequalities and distorts competition in an undesired manner.

On 29 April 2026, the European Commission issued the Communication on Middle East Crisis Temporary State Aid Framework that "*allows Member States to provide aid to companies in the agriculture, fisheries and transport sector*" until 31 December 2026. Many Members States took advantage of this framework and reduced taxes or provided other types of subsidies for fossil fuels. However, subsidising fossil fuels stimulates their consumption, contradicting the Communication's statement that "any form of temporary support to the undertakings most exposed to the current crisis should preserve incentives to reduce energy demand". Importantly, as the Commission has warned, we "*should be under no illusion that the impact of the Iran war on energy prices will be short-lived*".

There are also many other reasons not to introduce subsidies (including tax subsidies) for fossil fuels even if their market prices rise abruptly: first and foremost, higher consumption results in more carbon emissions and other environmental harms, exacerbating the already staggering economical cost of climate change. Moreover, social disparities grow because most of such subsidies benefit the rich (this is exemplified by the fact that, on average, the richest 10% of Europeans consume eight times more transport fuel than the poorest 10%).

Ultimately, taxpayers will have to finance the state's costs of the fuel subsidies in the form of higher public debt and/or deteriorating public services. In addition, citizens will face the impacts of the climate crisis, as seen with the heatwaves, fires and floods

throughout this summer. It is therefore highly questionable whether these measures will leave citizens better off in the medium to long term.

Cutting taxes on fossil fuels further aggravates the findings of the Special Report of the Court of Auditors in 2021 regarding the Polluter Pays principle. According to an IMF study, based on 2022 data, fossil fuels are subsidised in the world at a rate of $13 million per minute. These subsidies mean that prices fail to reflect the full costs of fossil fuels, encouraging consumers to take wrong decisions. Unfortunately, Member States have not heeded even to this day the recommendation of the European Commission expressed in its 1992 White Paper on the Future of the Common Transport Policy: "*internalisation of external costs should be a major element of a transport policy*". In view of the current crisis, this recommendation is timelier than ever.

In addition, the envisaged and implemented measures risk seriously distorting the competitiveness of European companies engaged in improving energy efficiency, energy savings and deploying renewable energies as well as zero-emissions transport, while rewarding fossil-fuel laggards. Already there are protests against the profits of fossil-fuel companies profiting from the crisis.

Based on evidence, increasing fossil fuel taxes and returning the revenues to citizens reduces inequality in every Member State that enacts such a policy. This is part of the concept behind ETS2, where revenues from consumers' additional payments must be returned to them through direct payments and investments. Member States can even overcompensate citizens if they acquire additional revenues by introducing taxes on the colossal windfall profits of fossil fuel companies. A recent example to be followed is that of the Hungarian government, which has provided a monthly monetary compensation to every private individual who owns an average-size or smaller diesel car; the individual can spend this money for any purpose, not only fuel.

We therefore call on the Commission to:

- **Commit to making this fossil fuel crisis Europe's last and secure Europe's strategic autonomy by stepping out from fossil fuels and embracing a renewables future.**
- **Develop a fossil fuels phase out target and plan,** with a clear timeline for fossil fuel exit, alongside measures to eliminate fossil fuel subsidies as soon as possible and provide direct compensation to citizens.
- **Withdrawing the Communication on Middle East Crisis Temporary State Aid Framework at the earliest occasion** and **guarantee that no extension or repeat** will be possible.
- Make sure that in the trilogues regarding the revision of the **ETS** no provision is included that undermines the obligation of Member States to return **ETS2 funds** to consumers.

Note that a wider range of civil society organisations have previously called upon Commission President Ursula von der Leyen to make this fossil fuel crisis Europe's last one.

Thank you for considering the above points and evidence.

Patrick ten Brink,

Secretary General



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