

To the kind attention of the **Irish Presidency of the Council of the EU and the Energy Ministers of the EU Member States**

Cc: European Commissioner for Energy

Brussels, 27 October 2026

The crucial contribution of a time-dependent, flexible demand reduction in winter 2026 -2027

Dear Minister O'Brien, Dear Ministers,

Dear Commissioner Jørgensen,

As you meet in Luxembourg on 29 October, the Irish Presidency asks what demand reduction measures the EU should consider. EU gas storage stood at 74% on 20 October, the lowest seasonal level since records began in 2011, gas prices have more than doubled since the Middle East conflict began and gas transmission operators warn of a possible shortfall of 12-15% of demand in a severe cold spell.

Our answer is simple: what matters is not only how much Europe saves, but *when*.

Target the hours when gas sets the price

In the electricity market, the last plant dispatched sets the price for all. How often that plant is gas-fired differs widely between Member States, but it is most likely at the morning and evening peaks and during cold, windless spells. A megawatt-hour saved when renewables or nuclear are on the margin saves little gas and barely moves the price. The same megawatt-hour saved on a still January evening displaces gas-fired generation, protects storage and can push the price-setting technology down the merit order, lowering the price for every consumer in the bidding zone.

Flat percentage targets ignore this and ask for sacrifice in hours where it buys little. **Demand reduction should be time-dependent:** concentrated on critical hours, and rewarding consumers who shift load rather than forgo it. In 2022 the EU required Member States to cut electricity use by at least 5% in designated peak hours, which showed the instinct is right. Those hours were largely fixed in advance and this winter they should be sharpened to the hours when gas is genuinely marginal, identified close to real time.

Flexible demand is already available, but needs market-based activations

Across Europe, some 26 million heat pumps, 45 million electric water heaters and more than 9 million electric vehicles are already deployed. They were not installed to provide flexibility, but they can be operated flexibly: consuming more when electricity is abundant and cheap, less when the system is under pressure, and shifting use to other hours. The value is concrete. [smartEn](#) analysed, together with [European Heat Pump Association \(EHPA\)](#) and [E-Mobility Europe](#), what Germany already-installed heat pumps and electric vehicles could have delivered in February 2026, each assessed separately:

Assets (Germany)	Flexibility applied	Peak-price effect (day-ahead)	Wholesale savings, Feb 2026
2.2 million heat pumps	Pre-heating, then reduced heating for one hour a day (18:00–19:00)	-€17/MWh (-13.5%), from 125 to 108 €/MWh	€31 million
2 million electric vehicles	Smart charging: load moved from the 17:00 -21:00 peak to overnight, total charging unchanged	-€8.7/MWh (-7.5%), from 118 to 109 €/MWh	€28 million

In both cases, the savings come from demand alone, using assets that are already installed. With some market design and regulatory adjustments, this potential can be unlocked quickly, rather than spending on new peaking gas plants to solve a problem existing assets can already help address.

Deliver it through the market

Those hours shift with the weather and cross-border flows, only the market can track them. Much of the toolbox already exists in EU law: dynamic price contracts, access for independent aggregators, and the peak-shaving product introduced by the 2024 electricity market design reform, which system operators can procure competitively once a regional or Union-wide electricity price crisis is declared. Paying for reductions rather than mandating them draws in the cheapest flexibility first and avoids the harm of rationing. Vulnerable households should be protected through targeted income support, not by muting price signals at peak.

Our asks

We urge Ministers to:

- Recognise flexible demand as a key contribution to winter security and price relief, and frame any EU demand-reduction effort around critical hours, not flat percentages;
- Ask the Commission, ENTSO-E and ENTSG to signal expected gas-marginal and system stress hours in advance;
- Make the peak-shaving product ready for swift, competitive use should a price crisis be declared, with common rules on baselines and verification, and take forward ACER assessment of its use outside crisis periods;
- Remove remaining barriers to demand response and independent aggregation in all electricity markets, so that heat pumps, water heaters and electric vehicles already installed can respond to price signals this winter;
- Measure success by gas avoided and price impact, not only by energy saved.

Saving energy in the right hours, through the market, keeps gas off the margin and lowers prices for all.

We stand ready to support the Presidency, the European Commission and Member States in putting this into practice.

Yours sincerely,

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Paul Kenny, Director General of EHPA - European Heat Pump Association
Chris Heron, Secretary General of E-Mobility Europe

