

**Question for written answer Z-000014/2024
to the European Central Bank**

Rule 146

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Subject: Impact of renewable energy on inflation

Imported fossil fuel prices have been a major driver in the recent inflationary episode. Reducing the EU's dependency on these energy inputs – e.g. through the adoption of the RepowerEU strategy – has been recognised as a critical objective.

Evidence suggests that growth in clean energy generation could lower energy prices in the medium to long term. For instance, research from the Bank of Spain indicates that increased renewable energy production in Spain could cut wholesale electricity prices by 50 % by 2030. Other studies have found a correlation between the share of renewable energy production and the level of the HICP in euro area Member States. The International Energy Agency similarly notes that ‘without PV and wind capacity growth in 2021-2023, average wholesale electricity prices would be higher by about 3 % in 2021, 8 % in 2022 and 15 % in 2023’.

Given this evidence, what research has the ECB conducted to explore the relationship between investments in renewable energy (alongside grid infrastructure, storage, energy efficiency and electric grid interconnectivity) and price dynamics in the euro area?

Has the ECB's monetary policy strategy identified renewable energy as a key factor in the pursuit of price stability in the coming decade?