
EU AGREES ON GAS PRICE CAP, SKEPTICS DENOUNCE IT AS AN 'ILLUSION'

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EU countries finally struck a gas price cap deal Monday after months of fraught divisions over a key aspect of the blocs response to the energy crisis □ but the final settlement may end up pleasing no one.

Energy ministers meeting in Brussels for their final summit of the year reached political agreement on a so-called market correction mechanism. Under the plan, which is set to come into force on February 15 and last for one year, trades on Europes gas exchanges will be capped at □□□ per megawatt-hour, if that price level is reached for three working days and European wholesale gas prices are, for the same length of time, €35 above the global price of liquefied natural gas (LNG).

The complex policy tool □□□□□ is set well below the □□□ trigger price originally proposed by the European Commission, and applies to month-ahead, three-month and one-year contracts □□□□ approved by EU countries with a qualified majority; Hungary opposed, while Austria and the Netherlands abstained.

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