Energy Crisis Revolution? The Impact of the Solidarity Contribution on the Evolution of EU Fiscal Powers

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Abstract

Since 2021, the EU has been threatened by an energy crisis, causing a dramatic rise in energy prices and the inflation rate. Among the measures adopted by the EU in response is Regulation 1854/2022, introducing a solidarity contribution to be levied on the surplus profits of companies in the energy market. Through the lens of historical institutionalism, this paper analyzes the solidarity contribution to understand what kind of institutional change, if any, it represents for EU fiscal integration. The paper finds that, rather than a revolution, the adoption of the solidarity contribution reflects path-dependence. That is, with the adoption of Regulation 1854/2022, the EU has maintained a fiscal regulatory approach to the energy sector that does not substantially depart from previous fiscal governance modes.

Keywords: Energy Governance; Energy Crisis; Fiscal Governance; Fiscal Capacity; Fiscal Regulation; Fiscal Integration; Next Generation EU; Recovery and Resilience Fund; Solidarity Contribution; Historical Institutionalism

Introduction

Russia's full-scale invasion of Ukraine in 2022 exacerbated the energy crisis that followed the COVID-19 pandemic, thus urging the European Union (EU) to take immediate action in the face of severe threats to the security of energy supply and the sustainability of energy prices. EU action has focused both on tackling short-term threats and on finding medium- and long-term solutions to the crisis in order to increase EU security in the face of future energy uncertainty (European Council 2022).

Part of this effort resulted in the enactment of Regulation 1854/2022 (formally known as Council Regulation (EU) 2022/1854), which addresses the issue of high energy prices. This regulation aims at controlling the rise of energy prices through the combined effect of three measures: a reduction of gas demand, a price cap on revenues from energy products, and the adoption of a "solidarity contribution" imposed on companies operating in the energy sector.

The introduction of the solidarity contribution was not designed to directly address rising energy prices but responded to the need to collect resources intended to protect EU final customers. Since the beginning of the energy crisis, the EU has attempted to shield both private

consumers and the productive sector affected by the rise in energy prices. This EU effort was carried out mainly through direct transfers, a reduction of energy taxes, and business support measures. Although these measures enabled the Member States to partially mitigate the effects of the crisis, they required an investment exceeding €650 billion (Sgaravatti et al. 2023). In this emergency context, the introduction of the solidarity contribution enabled redirect them towards measures aimed at protecting final energy customers within the EU from the effects of the crisis.

Since its adoption, the solidarity contribution has attracted an increasing academic interest stemming from its debated nature as an EU tax (Antón 2023) and its questionable compatibility with the EU's post-pandemic policy objectives, such as the European Green Deal (Antón 2023). Likewise, questions remain as to its implications for the scope and degree of European integration, especially in the field of fiscal governance. The solidarity contribution introduced, for the first time since 2003, a new energy tool with fiscal implications. Unlike in the past, the solidarity contribution represents a non-environmentally related levy with purely redistributive aims. Therefore, analyzing the characteristics and impact of the solidarity contribution is essential to understanding how this measure fits into the broader process of change within the EU.

Against this backdrop, this research paper examines the impact of the solidarity contribution established by Regulation 1854/2022 on the general evolution of EU fiscal powers. Using energy fiscal policies as a benchmark, the paper assesses whether the creation of these measures has produced any relevant change in the modes of fiscal governance of the Union. This analysis seeks to answer the core research question: What kind of institutional change does the solidarity contribution represent with respect to the consolidated EU modes of fiscal integration, particularly in the field of energy fiscal integration? To address this research question, the paper is structured into four main sections. The first section outlines a concise analytical framework and clarifies the methodology and sources employed in the research. The second section traces the evolution of EU fiscal governance, with particular attention to developments following the outbreak of the COVID-19 pandemic. Section three of the paper examines Regulation 2022/1854, focusing specifically on the characteristics of the solidarity contribution. It highlights the measure's extraordinary and temporary nature, as well as its distinctive features, including its redistributive purpose, the entities to which it applies, and the mechanisms governing its implementation. The final section analyzes the effects of Regulation 2022/1854 on the broader process of EU fiscal integration in order to assess the type of institutional change it has brought about.

The paper argues that Regulation 1854/2022 and the solidarity contribution it sets up do not constitute a revolutionary shift but rather a path-dependent evolution of the EU fiscal framework. Although adopted within a very short timeframe and applied to a broad range of

economic actors, the regulation does not enhance EU fiscal capacity on either the revenue or on the expenditure side. Instead, Regulation 1854/2022 represents a step back from the more ambitious fiscal initiatives adopted in response to the COVID-19 pandemic, favoring a model of fiscal regulation that of substantial discretion to national governments while assigning EU institutions a primarily coordinating and supervisory function. This indeed resembles European fiscal integration in the energy sector observed over the past two decades, and particularly the approach adopted in 2003.

The findings of this paper are particularly relevant in light of the existing research gap on EU energy fiscal policy. This gap is especially significant in a period when energy policy has gained unprecedented prominence within the EU, largely as a consequence of successive exogenous crises. At the same time, fiscal policy at the EU level is undergoing multiple transformations—or, in some cases, attempted transformations—that may carry important implications for the Union's approach to energy governance. In this context, an analysis of the solidarity contribution provides valuable insights into the patterns of institutional change within the EU. It reveals that, despite numerous episodes of adaptation and reform, different policy sectors evolve at different speeds, and the Union continues to display a fragmented approach to policy integration. Moreover, the paper identifies potential elements of future development in the field of EU energy fiscal policy. Regulation 2022/1854 has succeeded in introducing a new fiscal instrument into a policy domain that had remained largely unchanged since 2003. While the temporary nature of the solidarity contribution prevents it from being regarded as a fully consolidated instance of institutional change, it may nonetheless serve as a precedent for future initiatives aimed at deepening fiscal integration in the energy sector.

Analytical Framework and Research Methodology

This research adopts a historical institutionalist perspective to examine the adoption of the solidarity contribution within the broader evolution of EU fiscal policy. This approach captures how past trajectories and recent developments shape institutional change in response to events such as the COVID-19 pandemic and the 2022 energy crisis. It puts "political contingency in a temporal perspective" (Schramm and Terranova 2024) and examines the dynamics that generate institutional innovation. Historical institutionalism focuses on how institutions are created, maintained, and adapted (Sanders 2006). Following Christiansen and Verdun (2020), institutions are understood as a set of formal and informal rules that shape actors' behavior. Using this framework, the research assesses how the solidarity contribution reflects institutional evolution within the EU fiscal system.

The paper adopts three main criteria: (1) the pace of change, referring to the timeframe for adopting a policy measure relative to the onset of a crisis; (2) the scope of change, the range of actors or sectors affected by the measure; and (3) the scale of change, which captures the magnitude of the measure's effects within a defined unit of analysis. Based on these criteria, three patterns of institutional development are identified: path dependence, gradual change, and radical change.

The concept of path dependence views the institutional evolution as constrained by previous paths and developments. Institutions tend to follow established paths that become reinforced over time due to high reversal costs, which entrench existing arrangements and inhibit change (Levi 1997). This process of increasing returns makes continuity along a given path progressively more likely, as the relative benefits of maintaining the status quo grow with repetition (Pierson 2000). The persistence of rules and established practices therefore reinforces institutional behavior and limits opportunities for transformation (Trouvé et al. 2010). Path dependence, consequently, is associated with the maintenance of institutional equilibrium rather than with substantial innovation.

From path-dependent situations, two additional types of change may emerge: gradual and radical. These forms of evolution differ both in pace and scope. Radical change, or a critical juncture, has been defined by Capati (2023, 27) as "abrupt and large-scale transformations that terminate long periods of path-dependent institutional reproduction." Similarly, Mahoney and Thelen (2009, 7) argue that radical change is a form of punctuated change in which "enduring historical pathways are periodically punctuated by moments of agency and choice." In this framework, fundamental events occurring within a short period of time (Capoccia and Kelemen 2007) enable institutions to undergo radical transformation (Mahoney and Thelen 2009). Such change is often triggered by major exogenous shocks—such as wars, economic crises, or revolutions—that create "windows of opportunity" enabling swift and comprehensive institutional transformation (Capoccia and Kelemen 2007; Mahoney and Thelen 2009; Christiansen and Verdun 2020). By contrast, gradual change is characterized by transformations that are "either minor in scale, slow in pace, or limited in scope" (Capati 2023, 27). It arises from endogenous pressures—such as government crises, strikes, or social conflicts—that generate internal frictions within existing structures. Over time, these tensions erode institutional stability and lead to adaptation or incremental reform (Mahoney and Thelen 2009; Broschek 2013).

In line with historical institutionalism's preference for qualitative case studies (Rixen and Viola 2016), this paper evaluates the evolution of EU fiscal policy through an in-depth case study of the solidarity contribution introduced by Regulation 2022/1854. This case is particularly

relevant, as it represents the first EU energy fiscal measure since 2003. Although confined to a limited fiscal domain, the measure provides valuable insight into the broader dynamics of EU fiscal integration, illustrating how change in a single sector can reflect or anticipate wider institutional developments.

This broader process of change began following the outbreak of the COVID-19 pandemic, with the adoption of the Recovery and Resilience Facility (RRF), the main measure of the Next Generation EU (NGEU) program. As affirmed by Capati (2023), the adoption of the RRF has represented a critical juncture. Indeed, it constituted an instance of immediate change (as the RRF was established within one year of the pandemic outbreak), comprehensive change (as it applied to all EU member states without differentiated integration), and large-scale change (as it shifted fiscal governance from fiscal regulation to fiscal capacity) (Capati 2024). An analysis of the solidarity contribution is thus necessary to assess whether it fostered a second wave of radical change in response to the energy crisis caused by the Russia's full-scale invasion of Ukraine.

The paper focuses on legislative texts establishing the solidarity contribution. It will assess both the procedural characteristics and the substantive content of the norms to trace similarities, differences, and developments through a comparative lens. Secondary literature will also be used to provide the broader context necessary to interpret the specificities of the solidarity contribution.

The Evolution of EU Fiscal and Energy-Fiscal Policy

The EU is not endowed by the Treaties with the power to levy taxes (Lindholm 2023, 3). Despite this lack of formal competence, the EU has constantly sought to expand its fiscal powers at the expense of member states' prerogatives. The lack of political will and unanimous agreement has so far prevented any amendment of the Treaties. Nevertheless, the series of crises that have confronted the EU over the last fifteen years has fostered an evolution of EU powers along two main axes: fiscal regulation and fiscal capacity. Fiscal regulation can be defined as the power of the center (in this case, the EU) to establish rules governing the autonomous extraction and expenditure of resources by the units (the member states). Fiscal capacity, by contrast, refers to the ability of the center to directly raise and spend resources in an autonomous manner (Buti and Fabbrini 2023, 2).

A useful conceptualization of the modes and potential patterns of fiscal integration has been provided by Woźniakowski, Zgaga and Fabbrini (2023), who systematized the EU's instruments of fiscal integration, identifying eight distinct types. As shown in Table 1*,* fiscal integration processes can be analyzed by considering two different aspects, which together

determine their classification: the side of the budget involved (revenue or expenditure) and the type of fiscal instrument developed (fiscal regulation or fiscal capacity).

Bearing in mind the lack of formal powers provided by the treaties, it is possible, building on Woźniakowski, Zgaga and Fabbrini's (2023) analytical framework presented in Table 1, to outline the typical modes of EU fiscal governance. EU fiscal governance has evolved significantly since the adoption of the Treaty of Lisbon and, more profoundly, since the 2008 economic crisis.

On the revenue side, the EU possesses both fiscal regulatory and fiscal capacity instruments. In particular, the Union combines a limited budgetary capacity (Crowe 2020), based on national fiscal transfers from member states proportionate to their GDP, with an extremely modest taxing capacity (for example, the Carbon Tax, Plastic Tax, and proposed Digital Levy). This limited fiscal capacity is accompanied by a broad use of instruments aimed at regulating member states' revenues. It can therefore be affirmed that the EU conducts its "ordinary business," and even manages most crisis situations, primarily through fiscal regulation. Indeed, instruments within the EU fiscal framework have historically been of a regulatory nature. Since 1995, the main instrument of fiscal oversight has been the Stability and Growth Pact (SGP), which enables the Union to monitor and issue recommendations on member states' fiscal programs (Genschel and Jachtenfuchs 2013, 92–93). During the 2008 economic crisis, the EU again relied on fiscal regulation as its main mode of response (Buti and Fabbrini 2023). The adoption of the Six-Pack, Two-Pack, and Fiscal Compact further strengthened EU institutions' control over member states' public finances (Fabbrini and Capati 2023), thereby reinforcing the centrality of fiscal regulation both in normal times and during crises.

Turning to the expenditure side of fiscal integration, the EU combines both fiscal capacity and fiscal regulation, both of which coexist with comparable importance. Expenditure regulation, by contrast, relies on the same instruments used for revenue oversight, complemented by the European Semester (Woźniakowski, Zgaga and Fabbrini 2023), which provides guidance to member states on fiscal policy and spending constraints.

Having outlined the general framework of EU fiscal instruments, it is now useful to trace the evolution of EU energy fiscal policy, as this field illustrates how recent developments—especially the solidarity contribution—may signal a structural change in EU fiscal governance. Historically, EU energy taxation has evolved slowly; thus, any modification in this relatively stable domain assumes notable significance. Despite numerous attempt[1], the EU struggled to reach

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Table 1. Dimensions of EU Fiscal Integration: Fiscal Capacity vs. Fiscal Regulation

Instruments of Fiscal Integration

		Fiscal capacity		Fiscal regulation	
Mode of Fiscal Integration (Autonomous vs. Dependent)		Autonomous: Supranational institutions involved	Dependent: Intergovernmental institutions only	Regulation of the center (autonomous or dependent)	Regulation of the units (autonomous or dependent
Side of the Budget	Revenue capacity	Tax capacity based on independent resources (Fiscalization)	Budgetary capacity based on non-independent resources	Revenue regulation of the center	Revenue regulation of the units
	Expenditure capacity	Spending capacity of independent or non-independent resources	Transfer capacity of independent and non-independent resources	Expenditure regulation of the center	Expenditure regulation of the units

Source: Adapted from Woźniakowski, Zgaga and Fabbrini 2023, 2

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A first amendment proposal, introduced in 2011, was eventually withdrawn due to the lack of unanimity among member states. In 2019, the Commission again proposed a revision of the Directive under the European Green Deal, later integrated into the Fit for 55 package. However, despite these discussions, no substantive changes have been adopted since 2003. Referring again to Woźniakowski, Zgaga and Fabbrini's (2023) analytical framework presented in Table 1, it may be observed that EU action in the field of energy fiscal policy has largely followed a pattern of revenue regulation of the units.

Given the slow progress on the revenue side, the adoption of Regulation 1854/2022 on an emergency intervention to address high prices to face the energy crises in response to the Russo-Ukrainian war marks a significant development. This regulation introduced a solidarity contribution—a levy on energy companies designed to redistribute surplus profits generated by the crisis—representing a notable evolution in the EU's fiscal and energy-fiscal framework.

Regulation 1854/2022 and the Introduction of the Solidarity Contribution

Russia's full-scale invasion of Ukraine and the EU's dependence on Russian energy supplies[3] further aggravated the energy crisis that had already emerged in the aftermath of the COVID-19 pandemic (Popkostova 2022). Tensions between EU member states and Russia severely affected the EU's security of supply, increasing the risk of gas shortages and driving up energy prices. At the beginning of 2021, when natural gas was priced at $7.27 per MMBtu, prices surged to $70.04 per MMBtu at the height of the crisis in August 2022. The spike in gas prices was accompanied by a broader rise in energy costs, which placed severe pressure on both households and businesses.

The sharp increase in energy prices threatened the stability of the EU's economic system. Higher energy costs directly burdened European households and, even more critically, the productive sector. A 2022 report by the European Investment Bank (EIB) estimated a doubling of firms reporting losses and an increase from 10% to 17% in firms at risk of default within the EU (EIB 2022). The same report highlighted a rise in poverty rates and a 1.1% decline in real private consumption across the Union. This situation was compounded by rising inflation, which averaged 9.2% in 2022 (Eurostat 2023a).

In this context, EU institutions and member states were compelled to act swiftly to counter the economic effects of the crisis while introducing emergency measures to safeguard the Union's energy security. Security of supply was strengthened through a series of regulations addressing gas

[3] In 2020, 24.4% of the EU's gross available energy was imported from Russia. In the same year, the EU depended on Russia for 40.1% of its total natural gas imports and 25.7% of its total crude oil imports (Eurostat 2023b).

storage, demand reduction, joint gas purchasing, and infrastructure solidarity. Meanwhile, the economic consequences of the crisis were mitigated through both national and EU-level measures designed to curb energy prices and protect consumers from secondary effects such as inflation. At the national level, the most common measures included temporary energy tax reductions, business support schemes, and direct transfers to vulnerable households (Sgaravatti et al. 2023). At the EU level, efforts focused on coordinating national actions, enhancing their effectiveness, and preventing market distortions.

Among these initiatives, Regulation 1854/2022 of 6 October 2022 on an emergency intervention to address high energy prices stands out as particularly significant. The Regulation responded to the exceptional profits earned by energy companies as a result of the crisis. In 2022 alone, the five largest European energy firms accumulated approximately €134 billion in surplus profits (Global Witness 2023), while European governments spent around €651 billion shielding consumers and businesses from the crisis's effects (Sgaravatti et al. 2023). To address this imbalance, Regulation 1854/2022 introduced a Europe-wide cap on market revenues for certain energy producers and established a temporary solidarity contribution on surplus profits generated by energy companies as a result of the crisis. The measure's primary objective is to redistribute these extraordinary gains in order to protect final consumers and alleviate pressure on national budgets.

The solidarity contribution, like all other measures introduced in the Regulation, was intended as an exceptional and temporary response to the crisis—a characteristic clearly expressed during the legislation process and confirmed within the Regulation's text. Regulation 1854/2022 was adopted under the procedure of Article 122(1) TFEU, which provides for a simplified process in cases of a "severe crisis in the supply of certain products, notably in the area of energy." Two key points should be noted regarding this legal basis. First, the Regulation is grounded in the existence of supply disruptions—stemming both from Russia's actions and the EU's dependence on Russian gas. Second, it seeks to enhance security of supply and contain the impact of soaring prices.

The temporary nature of the solidarity contribution is confirmed in Article 18, which, with reference to Article 15, also points out the period on which it shall be calculated and levied. Its exceptional nature, in turn, is demonstrated by its limited scope: it applies only to surplus profits directly linked to the crisis, without replacing ordinary taxation of energy companies. The Regulation also takes into account the need to preserve the financial stability and investment capacity of energy companies.

Responsibility for collecting the solidarity contribution lies with the member states, which are required to implement either the Regulation itself or "equivalent national measures" (Article 14(1)). These national measures must not only target surplus profits but also pursue the same objectives and adhere to similar principles. The Regulation thus places member states at the center of implementation, granting them a degree of flexibility while simultaneously imposing a duty of coordination and solidarity (Preamble 57) to ensure the measure's overall effectiveness.

Finally, the Regulation assigns a specific redistributive purpose for the funds collected through the solidarity contribution. Articles 15 and 16 identify the specific categories of resources and entities subject to the levy, while Article 17 specifies their use in supporting final consumers. Four possible forms of expenditure are listed, all pursuing the same objective of mitigating the impact of the crisis. Notably, the Regulation encourages not only short-term relief measures (for example, price reductions) but also long-term structural investments, including green transition projects aimed at sustainably reducing energy costs for final consumers.

The Solidarity Contribution: Incremental Adjustment or Revolution?

The adoption of Regulation 1854/2022 formed part of a broader process of EU crisis management that began with the COVID-19 pandemic and continued with the EU's response to Russia's full-scale invasion of Ukraine and the energy crisis. Given this continuity and the evolution dynamics of EU fiscal policies since 2020, it is important to analyze the creation of the solidarity contribution through a comparative perspective. Drawing on the analytical model previously outlined, this section assesses whether the solidarity contribution, represents a case of path-dependent, incremental change, or rather a critical juncture leading to radical institutional change.

The dimensions considered are the timing, scope, and scale of change. *Timing of change* refers to the speed at which institutional transformation occurs following a crisis. A critical juncture—and thus radical change—occurs only when transformation happens within approximately 12 months of the triggering event (Hogan 2006), in this case, the outbreak of the energy crisis. Gradual change unfolds over a longer period, exceeding 12 months, while path-dependent evolution lacks a defined timeframe of reference, as it involves the continuation of self-reinforcing institutional patterns rather than genuine transformation. The *scope of change* concerns the extent of actors or domains affected. Change may affect different entities unevenly, or it may influence all of them in the same way. A critical juncture occurs only when the entire set of relevant actors is affected in a similar manner (Hogan 2006). While this feature may also be present in gradual change, in the case of radical transformation, such comprehensive reach is a necessary condition rather than a contingent one.

Finally, the *scale of change* is the core criteria distinguishing the three types of institutional transformation. To assess this, the analysis adopts EU fiscal integration as the unit of analysis, structured along the two dimensions illustrated in Table 1: the side of the budget affected (revenue or expenditure) and the type of fiscal instrument involved (fiscal capacity or fiscal regulation). Having identified the pre-existing configuration of EU's fiscal integration, the scale of change can be measured by observing shifts between these categories. A path-dependent evolution would not alter the prevailing mode of fiscal integration, and thus no movement would be observed across the table's categories. A radical change, by contrast, would imply a fundamental transformation, such as a shift from fiscal regulation to fiscal capacity or from revenue capacity to expenditure capacity. Gradual change, reflecting a long-term process, might involve a series of incremental adjustments across the table's axes—potentially leading to larger transformations over time—but it would necessarily exhibit a visible pattern of cumulative evolution.

Table 2. Analytical Framework for Assessing the Nature of Institutional Change in EU Fiscal Governance

Type of Change	Time	Scope	Scale
Path-Dependent Evolution	Not applicable	Not applicable	Continuity of the governance model
Gradual Change	More than 12 months	May or may not affect all actors	Incremental adjustments within existing governance models
Critical Juncture	Within 12 months	Has to affect all actors	Substantial shift to a new governance model

Source: Author

To summarize (see Table 2), for a situation to qualify as a critical juncture, it is necessary—and jointly sufficient—to observe a swift change (occurring within less than 12 months from the outbreak of the crisis), a comprehensive change in terms of the actors affected, and a substantial change in terms of its scale. Only when all these conditions are met can the adoption of the solidarity contribution be considered a critical juncture. A gradual change, which falls short of a critical juncture, corresponds to either a moderate or minor transformation occurring over a period longer than 12 months. A path-dependent evolution, by contrast, is characterized primarily by its lack of change in scale—that is, by continuity in existing modes of governance. The dimensions of timing and scope are not decisive in classifying a development as path-dependent.

Given the broad scope of EU fiscal integration and the limited domain of the solidarity contribution, energy fiscal policies will be used as a benchmark to assess the scale of change in EU fiscal governance. Using energy fiscal policy as a reference point makes it possible to highlight specific innovations introduced by the solidarity contribution without treating EU energy fiscal policy as a monolithic whole, but rather as a field composed of multiple, distinct components. Moreover, the solidarity contribution stands out as a unique instrument within the EU fiscal policy framework as it introduces an innovation in an area where numerous previous attempts failed — notably the Financial Transaction Tax (FTT), first proposed in 2013, which ultimately collapsed due to the lack of consensus among member state governments.

Turning to the solidarity contribution, it is now possible to analyze it through the lens of the framework described above. Starting with the dimension of timing, a baseline must be established to define the temporal context of the crisis. The Russo-Ukrainian war and the ensuing energy crisis began with the full-scale invasion of Ukraine on 24 February 2022. While the exact correspondence between the onset of the war and the outbreak of the energy crisis may be subject to interpretation[4], 24 February is adopted here as the reference date for the start of the crisis. This choice offers two advantages: first, since the invasion was the root cause of the energy crisis, it enables a comprehensive account of its multiple dimensions (gas price spikes, storage shortages, and risks to energy security); second, it provides a clear and unambiguous temporal marker, unlike subsequent phases of the crisis, which unfolded progressively.

From this standpoint, the solidarity contribution qualifies as a case of swift change. Regulation 1854/2022, which introduced the measure, was adopted on 6 October 2022, well within the 12-month timeframe identified above. Moreover, the Regulation resulted from an accelerated emergency procedure: the first proposal for a price cap on revenues was advanced at the Extraordinary Energy Council meeting of 9 September, followed by the Commission's draft on 14 September, which was discussed and approved in less than one month.

The encompassing nature of the change is evident when analyzing the scope of the solidarity contribution. Regulation 1854/2022 imposed a minimum level of contribution applicable to all member states, and although it permitted higher taxation rates on surplus revenues, it also acknowledged the risk of uneven implementation (Recital 11). It can therefore be affirmed that the solidarity contribution was intended to apply uniformly across the Union, while

[4] Despite being recognized as a concern since the beginning of the Russian invasion of Ukraine, the EU did not immediately treat the energy issue as a full-scale crisis. During at least the first month of the war, although the Union took steps to reduce energy risks and mitigate rising prices, it refrained from formally acknowledging the existence of an emergency situation. The first extraordinary meeting of the EU Energy Council was convened only on 2 May 2022.

the EU institutions were explicitly aware of and sought to limit the risk of heterogeneous national applications.

Although the solidarity contribution meets the criteria of swift timing and comprehensive scope, these two elements alone are insufficient to qualify it as a critical juncture. It is therefore essential to examine the scale of change introduced by Regulation 1854/2022 to determine its structural significance. The measure represents an important development within the energy fiscal domain but did not alter the underlying modes of fiscal governance. Even though the Regulation is the first EU legislative act addressing energy taxation since 2003, it retains substantial continuity by adhering to a fiscal regulation, rather than a fiscal capacity, approach. Specifically, the Regulation was premised on the concern that "uncoordinated caps on market revenues […] may lead to significant distortions" (Recital 11) and therefore sought to regulate the issue by setting minimum contribution levels and rules for the allocation of revenues collected.

At the same time, the legislator deliberately avoided establishing an autonomous fiscal capacity at the EU level, leaving implementation and resource allocation to national governments. Regulation 1854/2022 is based on a decentralized application model that accommodates national specificities (by permitting partial exemptions or higher contribution rates) and assigns member states responsibility for both levying the contribution and determining the use of proceeds, in line with the Regulation's objectives. The role of EU institutions remained consistent with previous fiscal practice: they acted ex ante as regulators and entrusted the Commission with monitoring and enforcement powers (Article 19).

By reference to Table 1, it is evident that no fundamental transformation has occurred. Since the 2003 Energy Taxation Directive, EU energy fiscal governance has been based on fiscal regulation, particularly "revenue regulation of the units" (Woźniakowski, Zgaga, and Fabbrini 2023). The same applies to the solidarity contribution, which, while introducing regulatory measures affecting member state revenues, did not create fiscal capacity on either the revenue or expenditure sides of the EU budget. Consequently, regarding its scale, the solidarity contribution does not represent a substantive change in energy fiscal governance. Although the measure constitutes a noteworthy step in a field long marked by legislative inactivity, it did not modify the existing governance model—neither gradually nor radically.

The absence of significant structural change makes it impossible to consider the solidarity contribution a critical juncture in EU energy fiscal governance. Despite its rapid adoption and broad scope, the measure exhibits continuity with past approaches and is therefore better understood as a path-dependent development. The EU thus opted for a "business-as-usual" strategy rather than pursuing a paradigmatic shift in fiscal governance. This interpretation is

reinforced by the measure's non-renewal following the end of its applicability period, reflecting the lack of political will to alter established fiscal practices. While one might argue that it represents a case of gradual change, empirical evidence suggests otherwise for two main reasons: first, the Solidarity contribution maintained a fiscal regulatory logic consistent with historical patterns and did not introduce a new EU-level fiscal capacity; and second, it was explicitly designed as an emergency, time-limited response to a specific crisis. Its non-renewal confirms the Union's intention to revert to the pre-existing governance model once the emergency subsided.

Conclusions

The purpose of this paper has been that of understanding what kind of institutional change the solidarity contribution adopted by Regulation 1854/2022 brings about for what concerns the considered modes of EU fiscal integration. To carry out such a task, a historical institutionalism framework has been adopted to look at the past evolutions in the field of EU fiscal and energy fiscal governance and to assess whether the solidarity contribution has been an instance of path-dependence, gradual change, or radical change.

This paper began its analysis by examining the main instruments of EU fiscal governance. This analysis portrays the complex nature of the EU fiscal system, which is mainly grounded in fiscal regulation instruments on the revenue side. Conversely, the expenditure side has historically adopted a more mixed approach, with the EU displaying elements of both fiscal capacity (direct and indirect) and fiscal regulation. Furthermore, a brief analysis of EU energy fiscal policy has highlighted the sector's persistent stagnation. The energy taxation system, established in 2003, has remained largely unchanged due to the lack of consensus among member states. The EU Green Deal and the Fit for 55 packages represented the most recent attempts to reform the system. Overall, energy fiscal policies continue to follow a regulatory logic, establishing minimum tax thresholds to maintain market uniformity.

Drawing on Woźniakowski, Zgaga and Fabbrini's (2023) analytical framework*,* this paper has clarified the institutional foundations of EU fiscal governance and the ways in which recent crises have influenced the Union's fiscal trajectory. This has provided the necessary context to understand the design and implications of the solidarity contribution introduced by Regulation 1854/2022.

Based on this background, this paper has first described the main characteristics of the solidarity contribution, an exceptional and temporary measure designed to tax surplus profits of companies operating in the energy sector. The adoption of Regulation 1854/2022, which

introduced the solidarity contribution under Article 122 TFEU, demonstrates the emergency-based nature of the provision.

To assess the impact of the solidarity contribution on EU modes of fiscal governance, this paper operationalized the concepts of path-dependent change, gradual change, and radical change (critical juncture) through three analytical variables: timing, scope, and scale of change. To determine the scale dimension, EU energy fiscal policy was used as a benchmark to evaluate whether any substantial transformation had occurred.

From this analysis, the paper concludes that the solidarity contribution is best understood as an instance of path dependence. Although it was adopted rapidly and applied uniformly across member states, the measure followed a fiscal regulatory approach, thus remaining consistent with existing modes of energy fiscal governance rather than introducing a new fiscal capacity.

In conclusion, the findings of this paper underscore the uneven evolution of EU fiscal integration. Despite the temporal proximity between the COVID-19 pandemic—marked by the adoption of the Next Generation EU program—and the energy crisis triggered by the Russo-Ukrainian war, the EU has once again demonstrated a sector-specific and crisis-contingent approach to integration. Moreover, this study has addressed a significant gap in the literature on EU energy governance, a field where the slow development of fiscal instruments has long hindered academic debate. The energy crisis of 2022 re-emphasized the strategic importance of this domain. The adoption of the solidarity contribution, although path-dependent, revealed a renewed dynamism in a policy area that had remained stagnant since 2003, potentially paving the way for future incremental developments.

As for the future implications of the measure, two elements deserve particular attention. First, the solidarity contribution was adopted in a unique context—characterized by simultaneous energy and economic crises—which enabled the EU to invoke Article 122 TFEU. It therefore appears unlikely that similar instruments could be introduced outside emergency circumstances. Second, while the solidarity contribution may serve as a precedent or catalyst for future fiscal integration, such developments would likely follow a different trajectory. Despite its path-dependent nature, the measure contained several politically sensitive features, such as the strong supervisory role of the European Commission in its implementation—an element difficult to replicate under normal conditions.

Based on these findings, future research should explore comparative analyses between the solidarity contribution and other EU taxing initiatives, particularly the Plastic Tax and Carbon Tax proposals. Likewise, it would be valuable to compare the solidarity contribution with unsuccessful

fiscal initiatives, such as the Financial Transaction Tax (FTT), to identify the factors behind the adoption of some instruments and the rejection of other(s).

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