Ref. Ares(2023)6563855 - 28/09/2023

**From:** [redacted] (CAB-SIMSON) on behalf of GRASSI Stefano (CAB-SIMSON)
**Sent:** jeudi 8 septembre 2022 18:06
**To:** CAB SIMSON ARCHIVES; MARQUEZ URIARTE Tatiana (CAB-SIMSON); VERTMANN Thor-Sten (CAB-SIMSON)
**Subject:** FW: Enel proposals on cap on inframarginal technologies and liquidity margin
**Attachments:** Regulation cap revenues inframarginal wording proposals_EU.docx; 20220419_Joint-associations-position-on-support-for-well-functioning-energy-markets_Executed.pdf

---

**From:** [redacted]@enel.com>
**Sent:** Thursday, September 8, 2022 5:37 PM
**To:** GRASSI Stefano (CAB-SIMSON) <Stefano.GRASSI@ec.europa.eu>
**Subject:** Enel proposals on cap on inframarginal technologies and liquidity margin

INTERNAL

Caro Stefano,

Ahead of the upcoming decisions to be made by the Commission and the Council, we would like to draw your attention upon a couple of aspects of importance for the operators in the energy sector.

Among the different proposals put forward in the last few days, the one of the Italian Government to cap gas prices in European hubs is the most suitable to solve the root cause of the crisis, i.e. high gas prices.
If a political compromise cannot be reached, the proposal for a revenue cap for inframarginal producers could have positive benefits but it must be improved. In particular, it would be advisable to avoid additional and existing measures at Member State level, for example windfall taxes or additional price/revenue caps, and to focus on a uniform measure at European level.
In addition, MSs when introducing the revenue cap, shall consider that electricity is not only sold in the day-ahead market, but it is also sold through long term contracts, forward contracts, PPAs and intragroup sales. These transactions shall be taken into account to avoid double imposition of the proposed revenue cap.
Additional resources created by the revenue cap should be distributed only to households and SMEs, avoiding cross-subsidies to other operators.

Finally, it is important to tackle the impact of liquidity margin (attached the position of the most important European energy associations). The actual market mechanism, fully functional under "normal" conditions, is leading in the current context to the daily request to market participants of massively increased liquidity margin, putting the entire energy market in an exceptionally difficult situation and forcing market participants to secure multi-billion-euro credit lines, while rising interest rates add to costs. We are calling for measures such as financing and/or guarantees from

Governments and/or National or European Public Financial Institutions, as well as regulatory interventions to expand the alternatives to cash disbursement (e.g., non-fully backed bank guarantees, EU Emission Allowances, or other accredited instruments)

In this respect, I would like to share with you some amended texts on how the above principles could be met in the best possible way

Un Saluto,
[redacted]

[redacted]


**ENEL Holding SpA**
1040 Bruxelles - Belgium
Avenue de Nerviens, 9-31

[redacted]