

## Energy Traders Europe response to Terna consultation on Guarantees regulation revision

Brussels, 03 April 2025

Energy Traders Europe welcomes the opportunity to provide feedback on the proposed changes to the calculation of guarantees required for market access and power plant dispatching in Italy. We believe that the following key principles should be respected:

1. **Ensuring a Level Playing Field** – All market participants should be treated fairly, avoiding discrimination between different types of grid connections
2. **Proportionality of Guarantees** – The financial burden of guarantee requirements should be reasonable and aligned with practices in other EU countries to maintain competitive market access in Italy.

While we recognize the improvements introduced in the second revision of the consultation, the proposed modifications will still increase costs for market participants, creating barriers for entering into the Italian electricity market and consequently the expansion of the generation capacity in Italy.

Therefore, we urge Terna to continue reassessing the guarantee requirements, specifically:

- **Reducing the calculation period for plants connected to distribution networks:** We acknowledge and appreciate the reduction in the calculation period for guarantees from 45 to 20 days for power plants connected to distribution networks. However, discrimination persists compared to plants connected to the Terna network, which still benefit from a significantly shorter period of 2 days. This discrepancy disproportionately affects smaller participants who do not have the financial backing of credit ratings available to larger companies.
- **Reintroducing a cap for Balancing Responsible Parties (BRPs) and Balancing Service Providers (BSPs):** To prevent excessive guarantee amounts, we strongly recommend reinstating a cap, particularly in light of the new calculation methodology.
- **Reducing guarantees for withdrawal in alignment with improvements on the injection side:** While Terna has reduced some factors affecting guarantees for energy injection ("immissione"), it has not applied the same principle to energy withdrawal ("prelievo"). The requirement to cover "10 days of full imbalance charges" results in guarantees that remain excessively high compared to previous levels.

# CONSULTATION RESPONSE



We support ongoing efforts to refine the guarantee system but emphasize the need for further adjustments to ensure fair market access and prevent excessive financial burdens.

We urge Terna to align Italy's guarantee requirements more closely with the EU average, reduce discrimination between different types of market participants, and introduce additional measures to facilitate access to the Italian electricity market.

## Contact

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