

GSE consultation on PPA trading platform operating rules

Brussels, 31 July 2025

Key messages

1. Power Purchase Agreements (PPAs) are essential instruments for accelerating renewable energy deployment, enabling market participants to hedge risks, and mitigating the impact of short-term volatility. They contribute to price stability for consumers and ensure revenue predictability for investors.
2. Major challenges for PPA uptakes – project financing, creditworthiness, contract negotiation, price setting, and managing counterparty risk — require flexibility to address the specific needs of buyers and sellers
3. PPAs are highly customised and the EFET-RE-Source template PPA contract is a free solution already at the industry's disposal and is recognized as a reference by ACER
4. Although GSE has the duty to proceed with the implementation of the platform as established by Ministerial Decree no. 152 of June 20th, the proposed platform for a dedicated market for the negotiation of PPAs (MPPA) may not adequately meet the needs of market participants and raises concerns about the actual opportunities this instrument may offer for a greater diffusion of PPAs in the Italian market
5. National PPA platforms, if introduced, should
 - a. Be open to all market participants and remain voluntary
 - b. Not introduce burdensome obligations on market participants or costs on consumers
 - c. Not interfere with wholesale markets while maintaining a level playing field

Detailed messages

Requirements for "Sellers" – Subjective criteria

A1 – Do you believe there are additional ways to verify the financial and economic capacity of sellers that should be considered when granting qualification to access the PPA market?

We note that not all off-takers are able to get a S&P rating. Creditworthiness was identified as one of the major barriers for PPA uptake by the European Commission¹:

"Debt providers to renewables projects continue to require strong credit rating in order to consider the PPA bankable. However, most small and medium-size enterprises are not rated by any major credit rating agency. Furthermore, creditworthiness and credit rating are also an issue for some companies in heavy industry and manufacturing, and in those European economies with a relatively less developed financial markets."

Therefore, we suggest removing the rating requirements and to take into account instead existing or additional guarantees.

Requirements for "Buyers" – Subjective criteria

A.4 Are there other forms of financial and economic capacity verification that should be considered for the qualification of PPA Buyers?

Same as response A1.

Qualification and Contract for the last resort service

A.6 Do you see any issues with the proposed withdrawal terms?

We understand that in the case of withdrawal from the Adhesion Contract (section 3.4.1) following a counterparty default, the non-defaulting party must inform GME whether or not it intends to use GSE's last resort service, after receiving GME's notification of the default.

The following unclear situations are not addressed in the operational rules:

¹ See [European Commission Recommendation on speeding up permit-granting procedures for renewable energy projects and facilitating Power Purchase Agreements](#) (May 2022)

CONSULTATION RESPONSE



- **Pooling structure:** If the defaulting counterparty is a buyer composed of a pool of entities, what happens if only one entity defaults? Does GSE replace only the defaulting entity or the entire buyer side?
- **Partial replacement:** If GSE replaces only the defaulting entity, will this lead to separate management (with GSE's reference price) of the energy portion related only to that entity?
- **Withdrawal:** If a seller "in bonis" decides not to use GSE's last resort service and withdraws from the Adhesion Contract, would this withdrawal terminate all MPPA contracts linked to the Adhesion Contract or only the one affected by the buyer's default? Is the Adhesion contract tied to a single MPPA contract or is it a general agreement that applies to multiple MPPA contracts?

Contact

Federico Barbieri

Coordinator for Southern European markets

f.barbieri@energytraderseurope.org