

PRESS RELEASE

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## **A windfall tax hitting renewable electricity generators in Italy is not the right measure to address high energy prices**

The European Federation of Energy Traders (EFET)<sup>1</sup> expresses serious concerns regarding the draft *Decreto-Legge sostegni ter* (DL) on urgent measures to support businesses and consumers and to contain electricity prices.

We recognise the need for consumer protection, and we support the government's intention to limit the negative impacts of rising energy prices on the Italian economy and energy consumers.

However, Article 15 of the draft *Decreto-Legge sostegni ter* introducing a windfall tax on renewable electricity generators is inconsistent with the European Commission's recent toolbox and with the guidelines of the Agency for the Cooperation of Energy Regulators (ACER)<sup>2</sup>.

The proposed measures would lead to significant distortions in wholesale energy markets by:

- Reducing investor confidence and making investment in Italy relatively less attractive;
- Introducing discrimination between producers of electricity based on generation technology;
- Adversely affecting hedging strategies and long-term contracts, including PPAs;
- Hindering a cost-effective transition to a carbon neutral economy.

Similar interventions in other EU Member States (Spain and Romania) in 2021 have led to significant regulatory instability and far-reaching changes in the dynamics of contracts.

EFET has therefore delivered a letter to the Italian government with the following requests:

- To **withdraw Art. 15 from Decreto-Legge sostegni ter**
- To prioritise interventions which do not distort market operation and investment decisions
- To adopt measures consistent with the European Commission's toolbox for tackling rising energy prices.

For more information, contact: [Press@efet.org](mailto:Press@efet.org)

<sup>2</sup> [European Commission toolbox for action & support](#) and [ACER recommendations on high energy prices](#) (2021)

<sup>1</sup> The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 100 energy trading companies, active in over 27 European countries. For more information: [www.efet.org](http://www.efet.org)