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In recent weeks, the price of electricity in the Spanish state has reached historic heights. A situation perpetrated by the electricity companies, from which citizens, SMEs and small businesses are suffering. A scandal generated and allowed by successive governments, electricity and economic interests shared by all. For instance, on Friday 1st October the cost of electricity reached a new historic peak in the Spanish state, reaching 216 €/MWh.

The Spanish government has taken short-term measures, to deal with this dramatic situation, such as the temporary drop in VAT from 21% to 10% for domestic consumers or the general reduction in excise duty on electricity from 5.11% to 0.5%, measures that are not enough to slow down the price escalation. In addition, in the face of even the most timid announcement by the government that could minimally affect the profits of large companies, they rebel, threaten and blackmail not only the government, but also all citizens who expect their bill to be relieved. This is a challenge between elites and social and popular majorities. In that regard, we should note what is known as “revolving doors”, for which former Prime ministers, former ministers and other senior state officials have seats on the boards of the electricity companies, earning astronomical salaries.

This situation is aggravated by the legislative blockade of previous governments to self-production through renewable energy, thus delaying the ecological transition essential to reduce emissions to the atmosphere and dependence on fossil fuels. All this, motivated by the particular benefit of an “Oligopoly” which does not play fair competition rules on the market, but takes advantage of its political influence, also threatening small self-consumption companies.

This context of abuse, impunity and falling profits is largely allowed by the marginalised energy market that prevails throughout the European Union. The situation is unsustainable: around 34 million EU citizens could not heat their homes in 2018, according to a new report from the Jacques Delors Institute.

In that regard, we would like to recall that Directive 2019/944 of the European Parliament and of the Council of 5 June 2019, in Article 5(3), recognises “that Member States may apply public intervention in pricing electricity supply to domestic customers in situations of energy poverty or vulnerability”, as well as paragraph 6 the Directive which states that “Member States may apply public intervention in fixing the price for electricity supply to domestic and domestic customers”.

It is clear, therefore, that we are facing a lack of political will so that Member States have mechanisms to ensure that electricity bill prices are in line with the needs of the public, even more important at a particularly difficult time such as at present as we emerge from the crisis caused by the global pandemic. We call for an integrated energy market in the Union as the most cost-effective way to ensure a secure and affordable energy supply for all customers, but Articles 3 and 10 of Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal electricity market need to be amended, opening the necessary debate on the marginalisation of the wholesale electricity market which allows unjustified remuneration for certain technologies which do not internalise the cost of raw materials such as coal or gas, and which are not CO2 emitters and are therefore unrelated to the increases they are experiencing in the emissions market.

We call on the Commission to intervene urgently and demand that Member States end these abuses and increase the public administrations' participation in the electricity sector, with the current legal tools or by exploring new ones, as well as putting mechanisms in place to eliminate "the revolving doors". It is also essential to change the inefficiencies of a market model created in the last century, which does not respond to the reality of the 21st century and the changes that are to be made by 2030 in order to move forward to the energy transition required for changing our productive model, otherwise the purchasing power of European society, as well as the economic recovery of the EU, will be put at risk.

We also call on the public to join in the initiative of a massive electricity blackout on Friday 8th October, between 22:00 and 22:30 European Central Time.

Yours sincerely,

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