

Dear Commission President Ursula Von Der Leyen,
Dear Executive Vice President Teresa Ribera,
Dear Commissioner Dan Jørgensen,

Subject: Urgent need to renew the market correction mechanism to protect Union citizens and the economy against excessively high prices

Following the expiry of Ukraine's gas transit agreement with Russia, the European Union risks being victim again of speculation in gas markets and experience a dramatic increase in gas prices.

This has already started happening, as immediately after the end of the agreement, spot prices recorded in the TTF exchange exceeded 50 EUR/MWh for the first time since 2023.¹ This trend could worsen in the next weeks if Europe faces cold end of the winter season.

More worryingly, if the European Union excessively depletes its gas storages, we risk seeing a significant spike in gas prices towards the beginning of the next heating season. At that time, while the European Union will likely be still purchasing gas to replenish its storage capacity, gas demand in the heating and in the industry sectors will rapidly increase, leading to high wholesale prices.

It needs to be underlined that, as of 6 January 2025, gas storage levels in the EU are at 69.5%, which is 6% lower than the past 5 year average on that date.² Hence, it is realistic to expect that gas storage levels will be extremely low at the end of the heating season and it will take significant efforts to meet the 90% target foreseen in EU legislation,³ driving prices up.

If no action is taken, and these risks are not managed, Europe may remain at the mercy of speculators, leading to devastating consequences for households and industry, worsening energy poverty and further damaging the competitiveness of our industry.

It is also important to remember that, due to the current electricity market design rules, an increase in gas prices will also lead to an increase in electricity prices, hence leaving no one immune from this potential trend.

While the long-term solution is rapidly roll out renewables to end Europe's dependency from fossil fuels and decoupling electricity prices from gas prices, the European economy needs an immediate response to the potential threat that it has to face.

The EU rightly adopted on 22 December 2022 a market correction mechanism (MCM) to protect citizens and the economy against excessive high prices ([Council Regulation \(EU\) 2022/2578](#)). This mechanism puts a price on wholesale gas prices for the gas exchanged in the largest European trading hub for gas, the TTF, protecting Europe from price surges.

However, this mechanism will come to an end on 31 January 2025, leaving European citizens and the economy unprotected against potential speculations.

¹ EEX data. cfr <https://www.eex.com/en/market-data/market-data-hub/natural-gas/spot> .

² Gas Infrastructure Europe and Swiss Federal Office of Energy SFOE data. cfr <https://agsi.gie.eu/> and <https://energiedashboard.admin.ch/gas/eu-gasspeicher>.

³ cfr Commission Implementing Regulation (EU) 2024/2995, available online on: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L_202402995

To address this risk, we urge the European Commission to:

1. **Urgently propose a renewal of the MCM**, so that it can be adopted and it can enter into force before the end of the foreseen end date.
2. **Assess whether the price cap foreseen in the MCM (180 EUR/MWh) is still adequate** to achieve the goals of protecting Europe from gas price spikes and to ensure security of gas supply. Should it consider that, on the basis of the current conditions, the price cap is not fit for purpose as it is too high, we urge the Commission to propose a new, lower, value.
3. **Explore legislative options to decouple gas prices from electricity prices.**

We remain at your disposal to discuss these or other measures that can adequately protect European households and industry.

Yours faithfully,

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MEP Carolina Morace (the Left)
MEP Danilo Della Valle (the Left)
MEP Giuseppe Antoci (the Left)
MEP Mario Furore (the Left)
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Agence Europe