

## Market integration of renewables – mission accomplished?

### New paper outlines the necessity for an energy system fully based on market remuneration

**Paris, 15 September 2020.** The ongoing consultation of the EU Commission on the European offshore strategy shows that renewables and their efficient integration into the energy system remain at the top of the political agenda. In addition to its contribution to this [public consultation](#), the European Power Exchange published a [paper](#) outlining the necessity to enable an energy system largely depending on renewable energy sources (“RES”) to fully rely on a market mechanism to foster system integration, rather than on support schemes.

For years power exchanges have been providing products and services to facilitate the integration of renewables: with diverse lead-time reductions that allow for trading until five minutes before delivery, 15- and 30-minute products, as well as performant platforms that offer the option of algorithmic trading. Moreover, the implementation of Local Flexibility markets, market-based sector integration and tailor-made indices for renewable generators have been innovative steps meeting the expectations of market participants.

“Our markets have been ready for the full market integration of renewables for a while. Now it is time for the regulatory framework to follow” comments Ralph Danielski, Chief Executive Officer of EPEX SPOT. Only by lifting support schemes, by incentivising reactions to the market price signal and by exposing renewable producers to the full market price risk these will offer their electricity at marginal costs, as any other electricity source. “The challenge will be to accomplish market integration and

further drive down support scheme costs on the one hand, while not jeopardising the achievement of the renewable and climate targets on the other hand” he adds.

The paper also highlights that RES are not the root cause for negative prices, as frequently claimed, the lack of flexibility at power generation of the overall energy system is.

[Read the full paper here.](#)

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**The European Power Exchange EPEX SPOT SE** and its affiliates operate physical short-term electricity markets in Central Western Europe, the United Kingdom and in Denmark, Finland, Norway and Sweden. As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. Over 300 members trade electricity across twelve countries on EPEX SPOT. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit [www.epexspot.com](http://www.epexspot.com).

## CONTACT

Maria Schubotz • Senior External Communications Officer

EPEX SPOT SE • 5 boulevard Montmartre • 75002 Paris (France)

Email [m.schubotz@epexspot.com](mailto:m.schubotz@epexspot.com) • Tel +33 (0) 1 73 03 61 33