

Press Release

Exchange Council calls to protect wholesale price formation process in enduring energy price crisis

Paris / Leipzig, 12 July 2022. For the first time since the beginning of the Covid crisis, the EPEX SPOT Exchange Council held a physical meeting. It was an important opportunity for the members to exchange on the enduring energy price crisis and possible solutions discussed by policy makers.

“The market situation remains tense, and all actors of the power market feel this in one way or the other. But we join EPEX SPOT in its calls to protect the price formation process and the benefits of the EU Internal Energy Market” states Bernhard Walter, Chairman of the EPEX SPOT Exchange Council. The solutions lie in the massive expansion of renewables and the use of more flexibility in the system. The Exchange Council supports EPEX SPOT’s policy recommendations highlighting the vision for Europe’s path to decarbonisation, and the role of power markets in it.

Furthermore, the members of the EPEX SPOT Exchange Council were informed about the go-live of the Core Flow-Based Market Coupling Project on 8 June 2022. Besides the involvement of EPEX SPOT and ECC, this go-live was the result of the close cooperation between NEMOs, TSOs and Regulatory Authorities. It introduces harmonised capacity calculation and allocation in 13 countries, with a total population of 278 million and estimated annual electricity use of 1,500 TWh. Flow-based Market Coupling aims at being more efficient than the previously used capacity calculation method. It brings all project parties one step closer to achieving the target model of the European Single Day-Ahead market. The EPEX SPOT Exchange Council encourages all stakeholders for continued efforts on this matter.

To follow up on the discussions of the last meeting, EPEX SPOT informed the Exchange Council members that it has responded to the consultation in the review of the EU Regulation on Capacity Allocation and Congestions Management launched by the EU Commission. Ralph Danielski, Chief Executive Officer of EPEX SPOT, comments: “We expressly oppose the disruption of the EU power market as suggested by the Agency for the Cooperation of Energy Regulators (ACER) in their

Recommendations to the EU Commission. Foremost, their initial idea of setting-up a monopolistic Legal Single Entity as the new Market Coupling Operator raises lots of concerns and counters the efficient facilitation of the energy transition. A proper impact assessment and cost-benefit analysis of such a Legal Single Entity is still not performed, as we have put forward again in our response to the European Union Commission. Our position is shared among all Nominated Electricity Market Operators (NEMOs) and all Transmission System Operators (TSOs) involved in the pan-European Market Coupling.”

The second regular Exchange Council meeting of 2022 was held on 6 July 2022 in Leipzig and chaired by Bernhard Walter, Head of Market Design and Regulatory Affairs at EnBW AG.

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The Exchange Council of EPEX SPOT is an official body of the Exchange. 27 members and 4 permanent guests represent adequately the diversity of economic and corporate profiles that exists among the Exchange Members from various sectors: producers, power trading companies, transmission system operators, regional suppliers, and financial service providers, as well as commercial consumers and academics. Its missions include in particular the adoption of the Exchange Rules and the Code of Conduct of EPEX SPOT and their amendments. The Exchange Council approves new trading systems as well as new contracts or market areas and approves the appointment of the Head of the Market Surveillance Office. It meets up quarterly.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in 13 countries: in Central Western Europe, the United Kingdom, Switzerland, the Nordics and in Poland. 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 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.

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