

## Exchange Council welcomes launch of first multilateral spot auction for Guarantees of Origin

**Vienna, 8 December 2022.** At its last quarterly meeting of the year, the EPEX SPOT Exchange Council members were pleased with the successful start of the pan-European spot auction for Guarantees of Origin (GOs) in September. [The new market, the first of its kind, was launched jointly by EPEX SPOT, EEX and ECC.](#) Since the launch, three auctions have taken place with a total volume of 166 GWh traded. The auction registered a steep growth rate month-on-month which illustrates the vast interest in this product. So far, transactions have been reflecting a truly European offer as GOs from various countries and technologies have been traded. “Liquidity is building up on this new market which answers the transparency requests for renewable electricity certificates and will pave the way to a European trading community for GOs in Europe. By doing so, this auction not only responds to market needs, but also serves the goal of making the energy transition more efficient for all Europeans”, comments Ralph Danielski, Chief Executive Officer of EPEX SPOT.

Furthermore, the Exchange Council discussed the latest political proposals initiated to tackle the energy price crisis. In the short-term, the true causes of this crisis should be addressed and remedies such as large-scale investments in renewable generation are best suited to tackle the supply shock. The Exchange Council made clear that interfering with the price formation on the wholesale market is not the right approach. However, the members acknowledge the need to directly relieve the end-consumer and energy-intensive industries; here targeted measures applied after settlement and delivery are best suited. Especially revenue caps on inframarginal technologies are to be treated very carefully. Bernhard Walter, Chairman of the EPEX SPOT Exchange Council, comments: “While such measures may seem attractive for politicians, we really need to be cautious not to interfere in the wholesale market. If revenue caps are implemented, they need a clear end-date and they should be harmonised across EU countries. It is crucial that trust in markets is not damaged and that a secure

environment for investments is maintained. What we also see is that so far, many practical points related to revenue caps, such as processes and data-collection, are unclear.” Furthermore, the Exchange Council discussed other measures currently debated, such as an extension of the Iberian price cap scheme to all EU member states, capping the price for gas used in power generation. Members agreed that the Iberian scheme has a distortive effect on power and gas markets already today, and the costs of these effects will again burden end-consumers and businesses. “The European energy system, with a well-functioning power market, cannot be made future proof with interventions that are short-sighted”, underlines Bernhard Walter.

The Exchange Council confirmed that in the longer term, building on the existing market infrastructures is the best solution to increase the resilience and efficiency of the power market: The completion of the EU Market Coupling is at the heart of these efforts, with pan European Intraday auctions, 15-minute products in the Single Day-Ahead Coupling, and implementation of Flow-Based Market Coupling in the Nordic region. Furthermore, the implementation of measures to increase liquidity and granularity of power markets, as stipulated in the Clean Energy Package, will drive forward the performance of the EU power market: This includes 70% of cross-border capacity made available for trading, market-based use of flexibility to optimise overall grid investments, complementing the Energy Only Market with other market-based solutions such as flexibility or capacity markets as well as incentives for hedging and risk sharing.

Last but not least, the members were informed about the successful extension of the pan-European Single Intraday Coupling (SIDC). End of November SIDC has been extended to Slovakia and Greece. Three Slovak borders have been coupled at the same time as the Greek border with Bulgaria. An up-to-date map of SIDC is available [here](#).

The fourth regular Exchange Council meeting of 2022 was held on 7 December 2022 in Vienna 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. Furthermore, EPEX SPOT newly offers local flexibility markets solution and Guarantees of Origin auctions, to foster the integration of renewable energy sources and to enhance the engagement of consumers and producers in the power market.

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](http://www.epexspot.com).

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