

Press Release

Redesigned Electricity Market remains cornerstone of the energy transition

EPEX SPOT welcomes adoption of Electricity Market Design reform

Brussels / Paris, 21 May 2024. The European Power Exchange EPEX SPOT welcomes the official adoption of the EU Electricity Market Design (EMD) Reform and the progress that has been made on this dossier since the submission of the initial proposals by the EU Commission in Spring 2023. EPEX SPOT will work on the ways and means necessary to comply with the new legal provisions and obligations of the EMD Reform.

“This reform has been initiated under the highest geopolitical pressure and the most extreme energy prices the EU power sector has seen in the past decades. EPEX SPOT welcomes that the proper functioning of short-term markets during the crisis was confirmed and that the spot power market principle has not been challenged by the reform. We strongly believe that the electricity market based on merit-order principle and fair competition among market operators is the lever to accelerate the energy transition across the continent,” comments Ralph Danielski, CEO of EPEX SPOT.

In particular, EPEX SPOT is pleased to see that the implementation of a so-called **Single Legal Entity** is not part of the final approved reform by the EU Parliament and Council. Stakeholders involved in the pan-European Market Coupling had strongly contested and repeatedly warned of such an excessive centralisation of the market coupling operation and function.

Another topic brought forward in the final text of the EU Electricity Market Design Reform is the reduction of the **Gate Closing Time across bidding zones** to 30 minutes before delivery. This means that, compared to today, cross border trading can happen closer to delivery. EPEX SPOT fully supports

this approach and acknowledges that the implementation of this key feature for the spot power market will take place hand in hand with Transmission System Operators (TSOs).

With this Electricity Market Design reform, the EU Commission no longer considers **capacity markets** as a temporary measure or a measure of last resort. It foresees to provide member states with a possibility to “fast track” the introduction of a capacity market if they consider it an appropriate measure to deal with security of supply. “EPEX SPOT operates the capacity market in France via regular auctions since many years. Building on this successful experience, we look forward to further assist TSOs across Europe in implementing new capacity markets, if need be” affirms Jonas Törnquist, Chief Operating Officer at EPEX SPOT.

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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 400 trading members are registered 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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