

Press Release

EPEX SPOT prepares implementation of European Electricity Market Design reform

Paris, 12 July 2024. Next week, on 16 July 2024, the European Electricity Market Design (EMD) reform enters into force. EPEX SPOT welcomes the reform, as it globally confirms the proper functioning of short-term electricity markets in light of the supply crisis following the Ukrainian war. Furthermore, it endorses the pivotal role of the short-term power market, based on the merit order principle and fair competition, to achieve net zero targets in Europe. Since its [adoption in May by the EU Parliament](#), EPEX SPOT has been preparing to be compliant with the new regulations of the EMD.

An important evolution put forward by the reform is the reduction of the Gate Closing Time across bidding zones to 30 minutes before delivery for the spot continuous Intraday market. Consequently, Intraday cross border trading can happen closer to delivery. This change will be implemented in close cooperation with Transmission System Operators.

Furthermore, the European Market Design reform introduces the sharing of orderbooks in the last hour before delivery in continuous Intraday trading. The EU Guideline on Capacity Calculation and Congestion Management, governing the work of Power Exchanges in Europe, stipulates a sharing of orderbooks between Exchanges when cross-zonal capacity is available. This principle has been extended by the EMD reform to the last hour before delivery of the Intraday continuous market.

The operational implementation of the EMD reform requires adaptations to the local trading infrastructure of Nominated Electricity Market Operators (NEMOs) on the one hand, and to XBID, the central Infrastructure used for the continuous segment of the Single Intraday Coupling (SIDC), on the other hand. The local trading infrastructure of EPEX SPOT is currently under preparation for this change. The central XBID infrastructure needs to undergo functional developments as well as extensive testing. In that respect, EPEX SPOT is committed to contribute to the delivery of an SIDC

solution living up to the requirements of market participants in terms of robustness, availability and performance, with the significantly growing activity expected under the new EMD regulatory regime.

The further timeline is now under discussion with project parties and EPEX SPOT continues its work to provide the market with a setup of high standard, in line with the EMD reform.

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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.

CONTACT

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

Email press@epexspot.com • Tel +33 (0) 1 73 03 61 33