

Efficiently using the existing power system



What is in the COM proposal?:

- Maintain marginal pricing at the wholesale level!



What should be added/changed:

- Locational signals
- Ensure good CfD design
- Encourage demand flexibility
- Prevent overly fragmenting instruments (peak-shaving product?)
- Enable the use of resources in neighbouring countries

A fair distribution of cost and benefits

What is in the COM proposal?:

- Two-sided CfDs
- Tighter rules for retailers
- Market monitoring
- Price-crisis provisions



Hard to assess risks

- more retail market concentration
- Locking in too high prices for long-term contracts
- "unfair" fragmentation of markets

What should be added/changed:

- Locational signals
- Ensure, system cost are attributed to consumers in a fair way

Investing in a secure, low cost, net-zero system



What is in the COM proposal?:

- Art 19 sets out five different investment instruments [CfD, PPA, Capacity RMs, FlexM]



What should be added/changed:

- Ensure MS coordination
- Investors should reflect future supply-demand balance by time/situation and by location
- Ensure overlapping instruments do not create “artefacts”
- Encourage, putting new generation in operation as early as possible

Governance

What should be added/changed:

- European public body to make data (final prices, capacities, public plans, ...) available for an informed debate
- Put a structured process for consistent, net-zero compatible power market reform on the tracks

Back-up



Why marginal pricing

- We need, at every place/every hour to know, what the value of saving one MWh or generating one more MWh is.
- This ensures an increasingly complex system can be **operated** efficiently
- Ensure that locations/technologies are chosen that can provide the electricity with the highest value/lowest cost (e.g., west-facing solar)
- “Expected” future marginal prices are crucial to steer **investments**