


ACER

 Agency for the Cooperation
of Energy Regulators

2.5 Upgrading Wholesale Markets

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Full and consistent implementation of the existing legislation across all Member States is still of highest priority.

Pricing:

- Real – time value of energy should be basis for prices/risks market parties and consumers face – may rise in scarcity situations
- Coordinated product innovation and removal of barriers to efficient price formation should allow participants to hedge against short-term volatility.
- EU-wide intra-day auctions should complement continuous trade in Intraday.

Bidding zone configuration and review process, for achieving adequate configuration:

- Current TSO exercise needs to be enhanced, made transparent and supported by all parties
- Decision criterion may need to be clarified; coordination is key
- Clear and conclusive decision making process – based on substance input

Capacity Calculation – Opinion BoR n° 15/2016 (Recommendation)

- Equal treatment of internal and cross-zonal flows addressed – process clarifications needed
- Full picture including critical network elements & redispatch costs

Priority dispatch & Balance responsibility without exceptions

- The real time value of energy should be the basis of the price that all participants in wholesale markets face. It should also be able to rise, in case of scarcity, to the maximum value consumers are willing to pay for the electricity they consume.
- Balancing services are a key component of the energy market to balance supply and demand in real time and that balancing market signals are reflected in the energy price as much as possible to avoid undue fragmentation of markets between different services.
- Therefore all market participants should face the same incentives regardless of technology and thus shall:
 - > *bear the same responsibilities in order for there to be a level playing field*
 - > *all (including independent aggregators) be subject to balance responsibility and be financially responsible for imbalances they cause in different energy markets (including balancing energy) without exceptions (although legal delegation of this responsibility a supplier should remain possible)*
- Remove Priority Dispatch for Existing (as well as new) RES plants

The European adequacy assessment is a key element for facilitating a well-functioning internal energy market.

See clear benefits in performing the EU wide assessment (methodology) at regional levels to achieve greater alignment with system operation.

- May be complemented with national adequacy studies building into the overall assessment with increased precision.
- EU/regional study should be a central element of the internal energy market and is important for putting in place a CRM.

Sufficiently stable framework to provide a clear and transparent framework to the market and should allow cross-border participation not to distort investment signals between neighbouring zones

- Regular reviewing of the necessity of a CRM is important but regulators caution against retroactive actions which could damage investor confidence.

Future compliance of existing mechanisms – welcome Article 24 of draft Electricity Regulation

- Underline the importance of using the existing “State Aid inquiry framework” in the future to evaluate if the already existing CRM fulfil the requirements under new Regulation.

The image features a close-up, dynamic view of the European Union flag. The flag is a deep blue color with twelve golden-yellow five-pointed stars arranged in a circle. The flag is shown waving, with visible folds and ripples, set against a lighter blue background. In the center of the flag, the text "Thank you for your attention!" is written in a clean, white, sans-serif font. The text is arranged in two lines: "Thank you for" on the top line and "your attention !" on the bottom line. The exclamation mark is prominent and adds emphasis to the message.

**Thank you for
your attention !**