



## PRESS RELEASE

# EPEX SPOT outlines vision for power market design of the future

## Amendments to Clean Energy Package needed to ensure well-functioning and liquid electricity markets

**Brussels / Paris, 19 September 2017.** The European Power Exchange EPEX SPOT generally welcomes the European Commission's proposal on the new electricity market design as presented in the Clean Energy Package, published in November 2016. Along the lines of the legal and regulatory framework proposed by the Commission, EPEX SPOT has established a factsheet outlining the key elements for the future power market design according to the Exchange's view. This includes a suggested set of amendments to the Clean Energy Package to ensure efficient and reliable electricity price formation across Europe. The factsheet can be downloaded [here](#).

Besides recognizing the importance of further developing competitive, non-discriminatory and market-based electricity markets, the Commission acknowledges the importance to abolish barriers to cross-border trade. EPEX SPOT supports these positions, as they are a means to maximize social welfare and strengthen the European-wide connection of wholesale markets.

"A free market with unrestricted and efficient price formation does not allow for regulatory influence on prices, as scarcity pricing is a phenomenon inherent to any market. EPEX SPOT hence supports that regulated price caps be removed in the future electricity market design. Only technical price limits on maximum and minimum clearing prices are necessary", explains Wolfram Vogel, Director Public and Regulatory Affairs of EPEX SPOT. Such technical price limits shall be harmonized to ensure the efficiency of European Market Coupling, and set at a level that does not expose market participants to unreasonable financial and operational risks. Therefore, EPEX SPOT recommends to rely on the harmonized technical price limits as currently developed by Nominated Electricity Market Operators (NEMOs) according to European Regulation on Capacity Allocation and Congestion Management (CACM).

In its analysis, EPEX SPOT also underlines that imbalance price areas need to be drawn based on the existence of bidding zones and not the contrary. Large cross-border bidding zones are the basis for liquid and competitive power markets.



With the publication of this factsheet the Exchange underlines its role as market innovator: EPEX SPOT acts beyond market operations, the shaping of the future power market is its vocation. The rise of renewables calls for efficient policies that reveal the full potential of power markets in Europe and the suggestions outlined in this factsheet pave the way.

You can access the Factsheet on the power market design of the future via this link and EPEX SPOT' suggested amendments to the Clean Energy Package [here](#).

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**The European Power Exchange EPEX SPOT SE** operates physical short-term electricity markets in Central Western Europe and the United Kingdom. The creation of a pan-European power market is what defines EPEX SPOT's mission. In 2016, its 278 members traded 529 TWh – a third of the domestic consumption in the eight countries covered. 49% of its equity is held by HGRT, a holding of transmission system operators. EPEX SPOT is part of EEX Group. For more information, please visit [www.epexspot.com](http://www.epexspot.com).

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