Eurelectric written input on Stakeholder Workshop on the ACER Assessment on Electricity Market Design

Eurelectric position paper

March 2022

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:
- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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WG Wholesale Market Design & Investment Frameworks
WG Market Integration & Network Codes
WG Retail Market Design

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Eurelectric feedback following up on Stakeholder Workshop on the ACER Assessment on Electricity Market Design (10th February 2022)

Disclaimer: Eurelectric is fully aware that the ongoing geopolitical situation and the Russian aggression against Ukraine have triggered new questions in the market debate since the 10th of February 2022. Nevertheless, the proposed inputs are to be considered a follow-up to the ACER workshop's discussion and hope that it will still support the ongoing work on assessing the market design framework. Naturally, Eurelectric is open to discussing the matter further at a later stage.

Feedback on Session 1 – Investments

Market & Investments environment: a definitive solution to the problem of providing long-term investment signals is needed

The current European electricity wholesale market design is **based on spot markets**, together with different trading horizons **and forward markets**, facilitating certainty in prices and quantities to sellers and purchasers. The European Target Model gives the frame of such trading scope, allowing the integration of the whole EU electricity market, including coupled bidding zones. **In particular, pay-as-clear in the organised day-ahead market allows meeting consumption, storage and generation with full efficiency.** In this framework, the effective economic flows exchanged among generators and suppliers, consumers, or any other trading party in the market, do not necessarily follow the pay-as-clear signals. Indeed, they result from the combination of the whole electricity market sequence and engagements.

Periods of high prices are a part of normal market functioning which gives incentives for short-term dispatch and may also act as an investment signal (depending on their predictability). For this reason, the wholesale prices should be able to reflect the equilibrium between electricity demand and supply. Moreover, **revenue certainty is very much linked with regulatory certainty** as a necessary condition for the correct formation of economic signals.

The Clean Energy Package (CEP) is a crucial instrument to improve the functioning of short-term markets. However, it **failed to grant a definitive solution to the problem of providing long-term investment signals** to achieve the energy transition cost-effectively. **Although several instruments already exist** (e.g. Power Purchase Agreements, Capacity Remuneration Mechanisms exist in several Member States and have been enshrined in the CEP, future products are available on platforms up to 6 years ahead), still they **do not solve the investment problem**. Indeed, there is still little liquidity for these time horizons (also partly due because individual customers are rarely keen and able to commit

for more than 2 or 3 years) and only a small share of investments is done today in a pure merchant framework.

This led to the **importance of assessing the root causes of hindrances to investment**, which are not (only) a matter of market instruments.

Challenges ahead

1. *Member States' market interventions threaten utilities' ability to invest in the framework of the 2050 EU carbon neutrality*

Investments need to reach a decarbonised electric system by 2050 while maintaining the security of supply, in a context of growing electrification of uses, **won't happen where revenues generated from market outcomes are being targeted through interventionistic policy measures.** Indeed, political reactions distort trust, especially because they are always asymmetric, i.e. they unexpectedly deprive investors of foreseen profits when prices are "too high", but never compensate them when they are "too low". This can be seen especially through some of the measures adopted on a national level in response to the current energy price level. The requirement for an efficient energy transition with a stable investment environment is a consistent combination of market design, regulatory framework, and energy policies. However, **political and regulatory uncertainties are nowadays one of the problems for making long-term investments**. Moreover, **revenue certainty will be crucial**, especially in the transition period. In addition to well-functioning wholesale energy markets, it may be necessary to consider alternative instruments as described in the following paragraph "market instruments", especially to take into account that market imperfections exist in the energy markets (e.g. because the security of supply has public good characteristics which make it difficult to obtain long-term commitments from final consumers in the current framework, while revenue visibility is needed over decades for many market-driven generation investments).

For a strong and stable (and expanded) EU Emissions Trading System (ETS)

Markets, not only policies, should define the supply-demand balance. Specifically, **decarbonisation is best achieved** with a strong and stable (and expanded) **EU Emissions Trading System (ETS).**

- The whole market framework, including a solid EU ETS which provides an efficient carbon price signal, must be able to work and support these investment signals to accelerate the energy transition.
- Commitment to a strong and stable ETS is necessary. More generally, a CO2 price signal is required to decarbonise transport, heating, and other diffuse sectors.
- As part of the EU ETS Directive review, the Commission should assess the sustainability of the price trajectory until 2030, keeping in mind the risk of volatility in the ETS market and the distributional effects this entails.

2. *A future mix dominated by RES, complemented by decarbonised firm and flexible capacity*

First, it is crucial to **differentiate between revenue certainty for the transition phase where backup capacity** will be required until sufficient RES-E and low-carbon capacity has been built **and investment**

incentive for RES-E and low-carbon capacity to be built at all. Renewables are the backbone of the future electricity system: by 2030, they will account for up to 60% of electricity generation in the EU, with over 80% by 2045. To reach these levels, **Europe needs to significantly accelerate the pace of renewable development**. However, there are still **national and local barriers** that impede the full deployment of RES. Furthermore, in the future, a **system** with a large share of variable renewables **will require an increase in decarbonised firm and flexible capacity** e.g. generation, storage (including power to heat and power to hydrogen), and demand-side response. This is the biggest challenge, both technically and in terms of market design.

Second, **considerable investments in transmission and distribution grids** are necessary to accommodate the challenges brought by the energy transition and to replace the ageing infrastructure. **Efficient regulation is required to incentivise innovation and proactive development of the networks**, consistently with the deployment of decarbonised generation. As a matter of fact, both procurements of flexibility services and physical network development will be needed to achieve climate goals.

Finally, **consumers will eventually carry out significant investments to reduce their consumption (e.g. energy efficiency) and switch to electricity when possible**. Efficient customer consumption and investment decisions require smart tariffs and adequate allocation of taxes and levies. The deployment of charging infrastructure for electric vehicles presents particular challenges.

Market Instruments

The following are Eurelectric considerations on some already existing instruments.

PPAs being a part of forward markets, will play an important role but will not necessarily deliver all the investments needed in certain situations

Supporting frameworks should be introduced in a way to balance investment viability and full participation in forward markets to hedge reasonable revenue certainty. Moreover, it is fundamental to underline the **obstacles still present to conclude PPAs** which constitute a barrier to investments in this tool. For example, it is impossible for some customers to sign PPAs (e.g. Residential Customers), the absence of long-term aggregation of demand and supply, and the high cost of guarantees for counterparty risk is potentially a hurdle to their development. In Eurelectric's view, **long-term transmission rights** are also a key point that must prime the harmonization of the standards. Finally, the development of PPA and any supporting framework should be designed to **incentivise participation in the market in all timeframes (forward, spot, balancing) and thus avoid withdrawing energy (liquidity) from it.**

CfDs can be an effective tool to provide revenue certainty and drive the RES-E and low-carbon build-out

CfDs can be instrumental in fulfilling the long-term needs identified by the Member States in relation to system adequacy and progress towards policy objectives. They should be designed in such a way that they do not distort short-term incentives (in order to not endanger short-term dispatch optimality), and

do not hinder the market functioning (e.g. by withdrawing energy and liquidity from the forward market). Indeed, Eurelectric notes that most of the time CfDs are not designed properly along these lines. With certain CfD types (e.g. 2-sided) governments can benefit from getting paid back depending on the development in power prices and the agreed strike price. **These CfDs should be subject to a clear and predictable application of State Aid rules by the European Commission.**

Technology-neutral Capacity Mechanisms can be a tool to secure that enough capacity is available

Capacity Mechanisms (CRMs) are conceived in the Clean Package as a transitory complement to Target Model in certain situations to achieve security of supply and provide long-term signals for the investment in generation capacity, storage (incl. large storage devices), and demand response. Their design and application should respond to best practices based on the design features set in the Electricity Regulation and on implementation options that are as normalised as possible. Furthermore, given the uncertainty on how often / at which level price spikes on the energy markets could materialize in practice (see also the recent discussion on high electricity prices and the related political interventions), **technology-neutral CRMs can be a tool to secure that enough capacity is available to fill the demand in extreme shortage situations and comply with national reliability standards.**

Indeed, **CRMs provide more revenue certainty and stability,** especially for technologies that are expected to be marginal, in supporting the security of supply both during peaks and any other flexibility requirements. Furthermore, they facilitate the integration of variable renewables, with an increasing presence in the EU energy mix. **Different CRMs may be suitable for different Member States to ensure the security of supply.** The EU should not favour one type over the others. Market-based solutions for CRMs should also be evaluated, in compliance with the provisions of the Electricity Regulation of the Clean Energy Package.

Other tools considered

Some countries, like Great Britain, are also discussing Regulatory asset base contracts (RAB) for funding future nuclear projects and which can also be designed in a way that mandates the participation of the power facility in the short-term market, preventing distortive effects and giving incentives to operation optimization. The aim of such a model is to enable investors to share some of the project's construction and operating risks with consumers, lowering the cost of capital which is the main driver of a nuclear project's cost to consumers. Unlike a CfD where construction risk sits with the developer, a RAB model will enable some level of risk-sharing between investors and consumers, while also maintaining the incentive on the private sector to minimise the risk of cost and schedule overruns. This will help to lower the cost of capital – a key driver of overall project costs.

Differently, in other countries, like Finland, energy intensive companies typically participate in big electricity construction and operation projects as co-owners and receive electricity from the power plant in accordance with their share of the built plant

Feedback on Session 2 – Electricity volatility as a driver for flexibility

Robust functioning of the current market design

Eurelectric stresses that the European wholesale internal energy market is robust enough: the continued integration of markets – forward, day-ahead, intraday and balancing – is an optimal way to increase competition and the system's economic efficiency.

The energy price surge didn't hinder the good functioning and integrity of the electricity market (as found by ACER in its preliminary assessment). **Indeed, the current market design of the day-ahead coupling, based on marginal pricing, is the most efficient signal to drive short-term dispatching decisions, promote decarbonisation of the generation mix and incentivize the development of storage/DSR**, which will help smooth volatility by increasing dispatchability.

In this context, priority should be given to immediate measures supporting consumers (especially the most vulnerable ones) **and without affecting the function of the energy market, as rightly defined in the EU Toolbox** (energy vouchers, welfare/social policies, reduction of electricity taxes and charges, etc…).

However, we are strongly **concerned to see that some governments are questioning the efficiency of energy markets and are attempting measures** (price caps, obligation on dominant producers to make forward contracts available on same terms as their supply arm, clawbacks, etc.) **some of which are at risk of severely endangering the market and the energy transition at large**. Recently, developments in Spain, Romania, and Italy with proposed clawback mechanisms are breaking investors' confidence and severely endangering needed investments towards decarbonisation.

The long-term objectives are clear: **reduce our dependency on fossil fuels consumption & imports (see more background info below), accelerate the clean energy transition, and secure the overall system with sufficient capacity.** In particular, **the deployment of RES and carbon-neutral energy sources is critical for reducing the exposure to natural gas prices and imports.** Increasing shares of RES and ensuring their appropriate integration into the energy markets could reduce EU average wholesale electricity prices.

Finally, the **Fit for 55 package's ambition should not suffer from the ongoing high prices in the energy markets**. We should also **maintain efforts to complete a robust & interconnected internal energy market as rightly highlighted in ACER's preliminary assessment**.

Volatility is a natural element of the market to be considered an indicator of the good functioning of the market

Considering stakeholders' views and debate on the price situation, Eurelectric recommends ACER to clarify several market concepts. Indeed, there seems to be some misunderstanding of price volatility and how it differs from other market concepts.

The first misconception appears to be the **difference between price levels and price volatility**. Price levels represent an average cost of a given commodity over a certain period, which reflects the demand

for such a product and (part of) the production/opportunity costs. Price volatility measures the degree of variation in the prices of this commodity compared to the price level of this period. In other words, volatility represents how large prices fluctuate around a "mean" price. As such, the degree of variation, not the level of prices, defines a volatile market. Depending on the time range considered, one can differentiate between hourly, daily, monthly, quarterly and seasonal volatilities.

In the current context, one should not confuse volatility with predictability. Indeed, price predictability relies on forecast expectations and analysis, which aim at picturing price trends in the future. Therefore, price volatility and price predictability are assessed in different contexts and by using different mechanisms.

Overall, the current situation should not trigger a lack of confidence in the market structure and design. Instead, it should be done the necessary to **clarify that electricity is a market product** subject to some natural market trends such as volatility.

Unlock seasonal storage/seasonal flexibility rather than short-term demand response/flexibility

Eurelectric understands the term "flexibility" as the ability of a market participant to set the level of injection and/or consumption of an individual asset or a set of aggregated assets at a chosen value.

Until now, Eurelectric doesn't necessarily agree that the current price situation is due to limited flexibility. On the contrary, **the system reacted in a rather flexible way**, **reflecting quite precisely the market situation**.

In this context, it is important to **distinguish between flexibility on the supply side and on the demand side.**

For flexibility on the demand side, explicit and implicit demand-side response should be developed to the largest possible extent through an appropriate regulatory framework (already largely existing with the CEP), while letting final consumers free to choose contracts that fit their appetite for price volatility. For example, as far as customers are concerned, the **potential to hedge security of supply risk is limited but economic signals directly sent to the consumers are important and should not disappear from the retail market**.

In that respect, time of use tariffs or critical peak tariffs can be very useful tools. Without exposing customers to unbearable volatility, they give a clear signal that can be understood by customers, sufficient to incentivise change of consumption, with predictability on prices and savings that help change customers' behaviour in the long run. **Incentivisation is not necessarily a question of a bigger price range or price signal precision but a question of efficient impact on behaviours and equipment.**

Real Time Prices for domestic customers, as they expose them to more than they can bear and make them run away to flat price offers when prices come to high levels have demonstrated their inadequacy for security of supply in crises like that in Texas last year. **The market should be allowed to work and to offer the fittest solutions, instead of imposing dynamic prices. Therefore, the suppliers' obligation under Art. 11 §1 in the Electricity Directive and the definition should be reconsidered.** In case the supplier offers a dynamic pricing contract, Eurelectric stresses the **importance of correctly**

implementing the provisions already foreseen in the Electricity Directive regarding the consumer's information on benefits, costs and risks of dynamic electricity price contracts. It is key to ensure that customers can choose between electricity price contracts that are in line with their risk profile and their ability to actively react. A variety of pricing offers that allows maximum choice and the best fit for customers is crucial.

However, it should be acknowledged that it is an intrinsic feature of electricity final consumption to be, to a significant extent, inelastic. Explicit or implicit demand response will not be sufficient to deal with seasonal or even weekly variations through DSR.

The issue is therefore not really with unlocking short-term demand response/flexibility but rather providing the right framework to unlock seasonal storage/seasonal flexibility to achieve decarbonisation objectives while ensuring the security of supply. The necessary framework should be put in place that these capital-intensive investments can have a positive business case and can happen. Hedging instruments could take different forms:

- **Right framework to develop/incentivize XB PPAs** (e.g. Cross-border transmission rights to be made available ideally over the duration of a renewable XB PPA, instead of only for next year).
- **Where needed, Member States could consider capacity remuneration mechanisms to deliver new firm/flexible capacity (hydro, storage, demand-side response, Power-to-X).** Well-designed capacity mechanisms are open to existing & new assets, generation, demand response & storage, are open to cross-border participation. See detailed explanation in our response to session 1.

Regarding the level playing field, the aim should be to follow existing European legislation, including network codes, which set basic rules for an equal playing field for all technologies. Differing (stricter) national rules for e.g. network connection but also favouring certain users of the system have a negative effect on the pan-European market functioning.

Feedback on Session 3 – Electricity Volatility, Suppliers & Consumers

Price volatility & suppliers, hedging by the suppliers shall be incentivized to some extent, otherwise it will add risk for the entire system

As seen before, price volatility is an intrinsic characteristic of a well-functioning wholesale market and should not be considered a problem per se. Well functioning markets converge for efficient behaviours where different risk profiles coexist. However, most smaller consumers look for stable fixed prices, relying on the suppliers for that matter. Therefore, concerning fixed price contracts, the need for hedging by the suppliers shall not be suppressed / weakened and even incentivized to some extent, otherwise it will add risk for the entire system. The main reason behind the recent bankruptcies of suppliers was not the volatile market, but risky trade strategies without proper hedging. On the other hand, the security of a fixed-term contract is a two-way road: it takes commitment from the supplier as well as the consumer for the established duration of the contract.

In order to enhance competition between suppliers, allowing new suppliers to enter the market and increase the churn, early termination fees have been capped at a too low level or even prohibited in some countries. As a consequence, it becomes more and more difficult for suppliers to maintain fixed prices other than the short term as they are fully exposed to arbitrage with variable short-term prices (unexpected inflow of customers when short term prices are high, unexpected outflow of customers when short term prices are low). During the price crisis, several suppliers have given up on the customers with the intention of winning them back later, with adverse consequences on sustainable and reliable suppliers.

At the same time, some low-cost offers came at the expense of more risky approaches which in the end resulted in a negative impact on customers. Bankruptcies that have been seen during the crisis are not so much due to low collaterals but more likely due to insufficiently cautious hedging strategies. This adds additional risk for the system, namely when considering the need for other suppliers (such as last resort suppliers) to provide high volumes of energy on short notice, regarding consumers whose suppliers failed to deliver what they committed to.

Another issue is that, although the market already offers instruments to protect against volatility, customers do not always have direct access to these tools, namely household consumers who rely on their suppliers for their hedging (via the choice of their supply contract), and the market provides several available tools.

Indeed, **wholesale or energy procurement from suppliers is not limited to the spot market. Forward markets already offer efficient tools to hedge and avoid the impact of price spikes on customers in the short-term.** Current regulation of European wholesale markets doesn't need to be changed, as the market works – and a good functioning market will converge for efficient behaviours, with the coexistence of different risk aversion profiles from both suppliers and consumers.

That being said, **the issue is that at least domestic customers do not always have access to these tools the forward markets are offering to bigger customers, i.e. longer fixed term fixed-price contracts.** Also, individual customers are rarely keen and able to commit for more than 2 or 3 years, and even less

for many of them (risk of misalignment with competitors or credit risk for non-residential, heavy decision and uncertainty for residential, supplier's reliability). In several Member States the regulatory framework disincentivise this kind of commitment from the consumer by fully allowing switch-out if prices decrease, with no due compensation for the exposure it leaves in the supplier. This explains the lack of liquidity further than 3 years in advance and leads to hedging tools being fully available only less than 3 years in advance.

This timeframe is more than sufficient to escape excessive volatility (subject to the ability to smooth the fixing of the contract price, generally not available in standard simple contracts) but customers are still exposed to market expectations of average system marginal prices.

Ultimately, the security and stability of fixed-term contracts are a two-way road. The crisis has reminded us that a minimum of mutual and reliable commitments from parties, supplier and consumer, are key to avoid consumers losing their ability to choose hedged fixed prices. These commitments should not be interfered with by policy measures such as bans on termination fees for switching from fixed-term to fixed-price contracts.

- **A possible solution here could entail bans on auto-switching, ensuring that early termination fees are allowed for fixed-term fixed-price contracts in line with CEP** while ensuring that such a measure is proportionate not to hinder the competition or the functioning of retail markets.
- **Another option could be longer-term PPAs for smaller customers (e.g. RES PPAs).** This topic deserves higher attention. Nowadays, the discussion on an efficient retail market is quite often about the switching rate. It is questionable though, whether that´s the correct indicator of a well-functioning market, also in light of recent bankruptcies related to insufficient hedging.
- **Another possible alternative could be based on regulatory signals incentivising supply hedging,** from the least interventionist, information offered to consumers on hedging (based on consensus metrics), to specific capital requirements or margins depending on assumed risk or even minimum hedging requirements.

Dynamic pricing should be a choice to consumers and suppliers, not the default option, and is not the only and even most efficient solution to enhance flexibility

Flexibility must be enhanced recognising that full exposure to short-term prices via dynamic retail pricing should be a choice to both consumers and suppliers, rather than the default option, and is not the only and even most efficient solution. Most customers are not fully aware of the risk or even able to react to the price signals associated with dynamic prices (not yet at least). So, consumers must be able to choose but also be fully informed on the risks it entails.

Smart solutions are paving their way and will allow the unlocking of the potential of this flexibility but there is still a long way to go. Most consumers look at energy in an approach of connecting and forgetting, which means that the engagement with more complex solutions must come hand-in-hand with smarter solutions. These allow for the definition of a few simple preferences, that trigger intelligence layers able to optimize consumption behaviours (in a more automatic way), reacting to price signals at the desired and possible extent, with the least burdensome intervention from the consumer.

Development of local production, self-consumption, local storage, flexible production and demand side response may, provided that it makes sense to achieve the objective of decarbonizing at the best cost for the community, have a flexibility potential for optimization which may result in less exposure to higher prices from peak marginal asset (generation, storage or demand response). It should be ensured that these market agents have access to market instruments, (directly or through aggregation) in a non-discriminatory way to avoid adverse impact on liquidity as well as price setting, and that the electricity network is ready for these developments. The quick solution here is to ensure proper CEP implementation and the deployment of reinforcing and digitalisation solutions in the electricity grids.

Market instruments are well developed but are mainly focused on firm commitments on price and volume. Without proper market instruments that embed options, flexibility is often left unhedged and valued through real time or day ahead prices only, at least on the retail side of the market.

This has led to believe that dynamic real time prices were the main or even the only solution to develop flexibility, even though customers run away from these offers when prices come to high levels, making them completely useless for the system when there is no customer left.

Most customers, especially households, are not always sufficiently aware of the risk they take on contracts indexed to short-term prices, or even able to react to these price signals. The small number of customers who look at underlying market prices often simply believe that future prices can be forecasted with price levels and price variations observed in the past, sometimes simply because one let them believe it. Moreover, according to recent Eurelectric's Power to People survey (Nov 2021), quite a big part of consumers still only wishes to connect and forget, with security on prices. For these customers, although it remains essential to convince them to change their behaviour and become more flexible, short term price risk is the worst proposition, whether it is from a financial or transaction costs point of view.

Therefore, customers shall have the freedom to choose the market solution that better fits with their preferences (namely between fixed term or dynamic pricing contracts; short vs. long-term; or other possible solutions) and be informed on all the risks related to each. Introducing dynamic prices based on the spot market is something that should be done carefully and as an option, to avoid increasing the burden for consumers that are just not able to react to price signals or are willing to take such risks. As above mentioned, there should be no ban on longer-term supply contracts with customers or an obligation to switch supplier when moving out of the house. It also makes sense to start a discussion on PPAs for residential (or in general smaller) customers or on long-term carbon-neutral supply contracts.

Protection of vulnerable customers

Protection of vulnerable customers is more efficient through targeted social policy tools than through market design intervention.

In general, consumers need visibility to make the right investment decisions that will support the energy transition and their efforts for energy efficiency. Price volatility and regulation uncertainty, in

particular for vulnerable consumers (especially residential), cannot ensure investment certainty and may lead to situations where customers cannot afford their energy bills.

For these consumers, market-based instruments protecting them from volatility exist, but they could imply higher prices and require commitments they can't afford. Vulnerable customers require additional protection, through state support and social services, helping them to pay their bills in the short run, but mostly granting access to sustainable solutions to reduce their consumption needs through energy efficiency, with long-lasting effects and reducing the need for short-term support itself.

It is worthwhile to mention that affordability, even with no volatility, is also an issue the market alone can't shield consumers from.

From a long-term perspective, a crucial way to protect the consumers is through engagement and support towards energy efficiency, as a key sustainable way to reduce the energy need while keeping (or improving) comfort levels and coping with the expected electrification in the years to come.

For this to take place, vulnerable consumers must be properly defined taking into account the national conditions, while setting proper action plans for inclusive and affordable access to the energy transition.

Imposing mandatory auctions instead of allowing normal market functioning might introduce market distortions, especially when targeting some market participants. These mechanisms should be assessed by ACER, in light of the existing framework and competition rules.

Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

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