



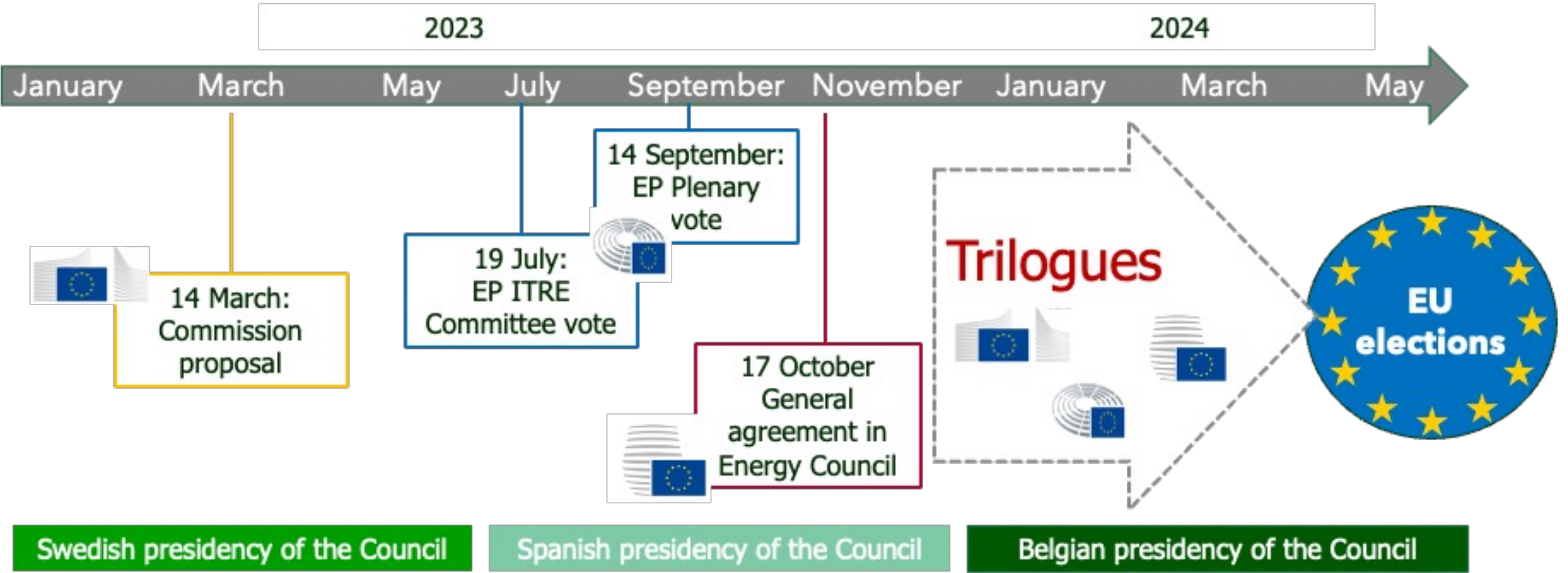
EFET European Federation
of Energy Traders

Electricity Market Design reform – updated market views in the final weeks of trilogue

34th MESC meeting – 7 December 2023

Jérôme Le Page, Chair of the EFET Electricity Committee

Reform delays create political uncertainty



The 2023 deadline will likely be missed
Let's double effort to ensure the reform is enacted in Q1 2024

We're almost there on the declaration of energy crisis & emergency measures (66a Dir)

1 overarching principle agreed by all:

No emergency measures without an energy crisis declaration

2 principles on which the Parliament and Commission should stand firm:

EC should remain in charge of the crisis declaration

No prolongation of existing emergency measures

Details to refine by all:

Energy crisis trigger criteria to detail further

Some efforts still needed on the impact assessment for regional virtual hubs (9 Reg)

The current compromise foresees :

An assessment of regional virtual trading hubs (alongside LTTR allocation frequency, maturity, nature, and trading on a secondary market)
(9 months)

If regional VTH CBA is positive:
reform FCA GL to implement zone-to-hub LTTRs

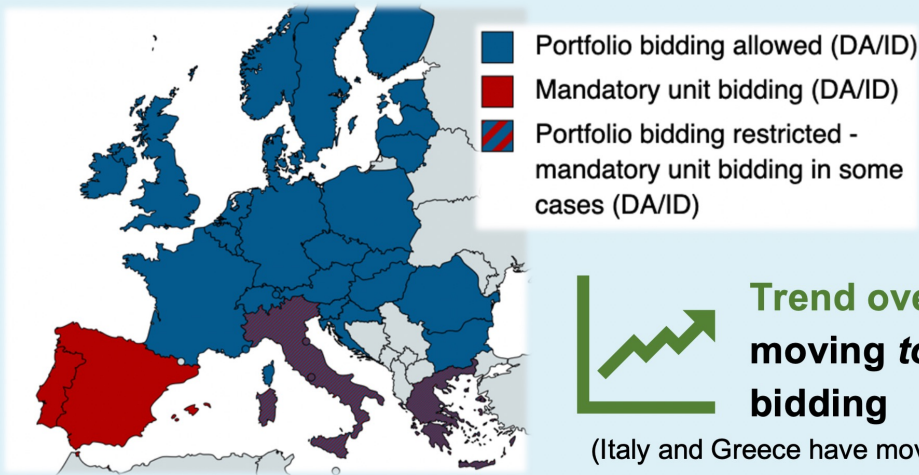
If regional VTH CBA is negative:
no zone-to-hub LTTRs

The impact assessment needs 18 months to be substantial and quantified, not a recycling of previous theoretical studies

Quite a lot of work remains to maintain the integrity of spot markets (7.2_(ca) Reg)

Art.7.2_(ca) Reg should not open the door to mandatory unit-by-unit bidding





Almost all EU Member States allow portfolio bidding



Trend over recent years: moving towards more portfolio bidding

(Italy and Greece have moved from a general unit bidding obligation to allowing partial portfolio bidding)

How portfolio bidding optimises electricity markets:

-  Demand matching at least cost
-  Quick adaptation to unforeseen changes
-  Better use of RES-E and flexible technologies
-  Same high level of transparency

https://efet.org//files/documents/EFET_Memo_PortfolioBidding_06102023.pdf