






Single Legal Entity for market coupling (SLE)

Articles 7(1) and 59(1b)

Would the proposal improve the *status quo*?

-  The introduction of a Single Legal Entity for market coupling would be **risky, costly and time-consuming**, putting at risk the operation of well-integrated DA and ID markets in Europe.
-  This centralised structure would create a **single point of failure**, replacing the role of NEMOs and TSOs which together have successfully led the operation and constant evolution of market coupling for the last twenty years.

Why now?

-  There is **no evidence that such a drastic overhaul would have a positive impact** for either the efficiency of market coupling, system security or on electricity prices.
-  SLE was not part of the initial EMD review scope and **not consulted on**, leaving stakeholders no possibility to evaluate the proposal and provide feedback.
-  As NEMOs, TSOs and market participants consider SLE to be **dangerous to the well-functioning of short-term markets**, this proposal has already been debated and **set aside** in the CACM Guideline review.

Regional Virtual Trading Hubs (RVTHs)

Article 9

Does this proposal adequately address the needs of market participants?



Existing hedging solutions such as **spread futures or EPADs** have emerged from market needs – whereas there is no such demand for RVTHs.



A proper impact assessment should look at the **wider framework for Long Term Transmission Rights (LTTs)**, take into account **external reasons inhibiting forward market liquidity** (e.g., regulatory intervention, non-market-based support schemes, existing collateral requirements, etc.) and include ACER, ESMA and all interested market stakeholders in the discussion.

What are the drawbacks to RVTHs?



Would create significant **uncertainty regarding costs and risks** for TSOs and market participants, leading to higher electricity prices for end-consumers.



More likely to fragment forward market liquidity, rather than to improve it, and interfere with existing, well-functioning hedging possibilities.



We instead encourage bottom-up solutions stemming from direct market demand.