

Electricity Market Design Review

An Initial Assessment

Brussels, 9 March 2023

The EMD review can accelerate the decarbonisation of the energy system by building on and future-proofing the existing regulatory framework

The reform should aim at strengthening the existing market design by:

- Building on the benefits of 20 years of market integration and an already highly efficient market design, which have helped to optimise both the usage of available production and transmission capacity and led to increasing levels of price convergence across various bidding zones;
- Fully implementing what has already been agreed upon (e.g., the Clean Energy Package), incl. market-based flexibility procurement, 70% minimum target of cross-zonal capacity made available for trading, etc.;
- Increasing the deployment and usage of flexibility assets and resources, incl. through local flexibility markets;
- Strengthening existing long-term markets by ensuring fair competition and free choice of the available instruments, including measures to improve access to collateral;
- Enabling necessary investments in renewables by maintaining a stable regulatory framework.