



EFET European Federation
of Energy Traders

Electricity Market Design reform – updated market views as political discussions stall

33rd MESC meeting – 18 October 2023

Jérôme Le Page, Chair of the EFET Electricity Committee

Reform delays create political uncertainty

2023

2024



19 July:
ITRE Committee
vote on EMD

14 September:
EP Plenary
vote on EMD

17 October?
Energy Council
compromise
on EMD?

EMD trilogues ?



19 June:
Energy Council
compromise on
REMIT II

7 September:
ITRE
Committee vote
on REMIT II

REMIT II trilogues ?

Spanish presidency of the Council

Belgian presidency of the Council

**Congrats on the European Parliament
for reaching a -mostly fair- compromise**

GOOD

**Emergency measures
only in case of crisis**



- **Inframarginal revenue caps not to be prolonged**
- **Energy crisis criteria could still be strengthened**

ON TRACK

**Progress towards better
forward markets**



- **Transmission rights to be issued 3 years before delivery**
- **Regional virtual hubs to be implemented only in case of a positive impact assessment**

TO REVISE

**Optimisation in spot
markets endangered**



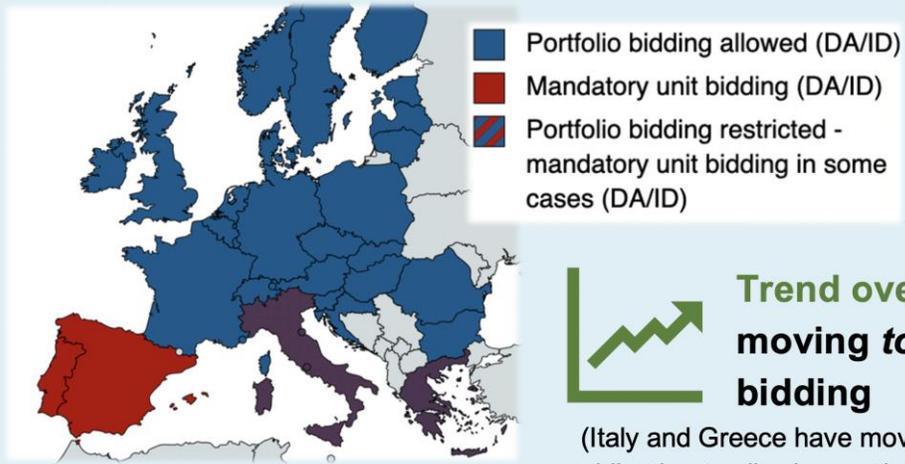
Unit bidding in spot markets would distort efficient dispatch

What to watch out for the Council?

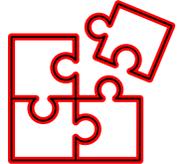
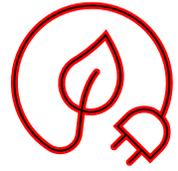
#1: avoiding a unit bidding mandate in all the EU

How portfolio bidding optimises electricity supply?

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)

-  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

What to watch out for the Council?

#2: making sure the integrity of forward markets is preserved

 European Commission version:

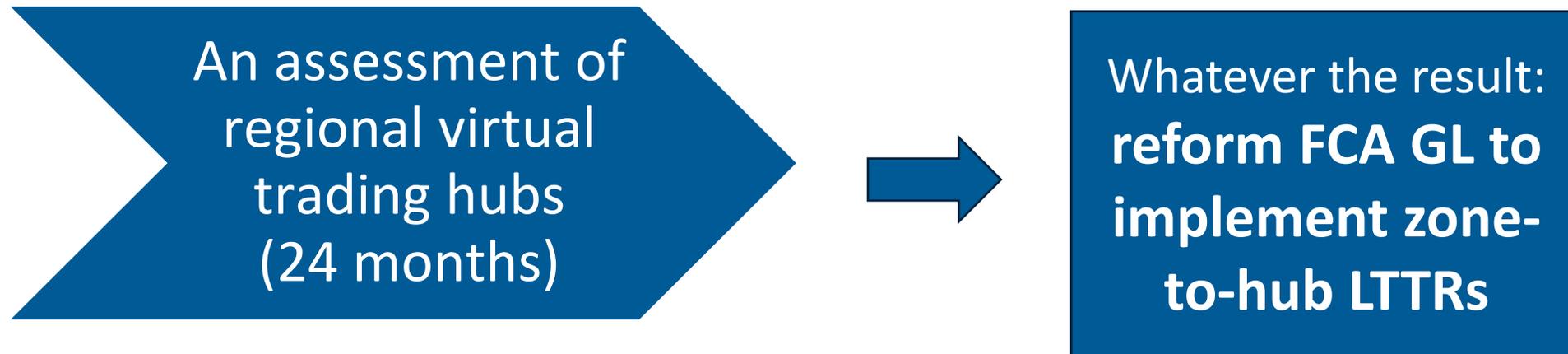
Whatever it
takes: **implement
zone-to-hub LTTRs**

No quick-wins – No option outside regional VTH

What to watch out for the Council?

#2: making sure the integrity of forward markets is preserved

 Energy Council version:



No quick-wins – No option in case regional VTH are assessed negatively

What to watch out for the Council?
#2: making sure the integrity of forward markets is preserved

✓ **European Parliament version:**

An assessment and implementation of quick wins for current forward market (12 months)

An assessment of regional virtual trading hubs (18 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

Quick-wins + real option in case regional VTH are assessed negatively

What to watch out for the Council?

#3: resurgence/eternal prolongation of emergency measures

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Reuters

September 11, 2023 5:40 PM GMT+2



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By [Océane Duboust](#)

Published on 10/10/2023 - 11:03

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French lawmakers propose extension of power price clawback

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By [Kate Abnett](#) and [Julia Payne](#)

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Going it alone: Berlin's own attempt to reform power market flounders

By [Nikolaus J. Kurmayer](#) | EURACTIV.com Est. 7min

15 Sep 2023