

XXXVIII European Electricity Regulatory Forum

CONCLUSIONS

The Forum did not draft conclusions on the reform of the electricity market design due to the ongoing legislative process.

Completing the Internal Electricity Market: Implementation & Reform

Implementation of the Electricity Regulation

The Forum emphasises the importance of implementing existing legislation and urges all parties to ensure that the benefits of the internal market can be urgently brought to consumers through the maximisation of capacities for cross-border trading by TSOs, which supported security of supply and reduced volatility during the energy crisis.

The Forum acknowledges that assessment of compliance with the cross-border trading rules is the competence of NRAs, but nevertheless considers the ACER monitoring report of the minimum 70% threshold (MACZT) critically important, allowing comparability based on a harmonised approach. The Forum encourages NRAs, TSOs and ENTSO-E to clarify with ACER the reasons for any potential discrepancies which may arise between the national assessments and the ACER assessment and try to resolve them to the extent possible.

The Forum underlines the importance of the bidding zone review and calls on all TSOs to address delays in the current bidding zone review and quickly present an updated and credible timeline for delivery.

The Forum highlights the importance of resource adequacy and welcomes the initiative to speed up the approval process for Capacity Mechanisms and simplify the ERAA methodology in a transparent way, while preserving the elements needed to reach robust decisions.

The Forum welcomes the good progress on the establishment of Regional Coordination Centres and encourages all TSOs to ensure the full implementation of all tasks as soon as possible.

Assessment of the Emergency Intervention

The Forum takes note of the findings of the Commission in the report on emergency measures to address high energy prices. The Forum signals, in particular, that the heterogeneous

application of the cap on market revenue has led to regulatory uncertainty affecting incentives of market participants to enter into power purchase agreements and forward contracts and negatively impacting new investments. The Forum cautions the Commission and co-legislators about the risks and long-term impact of prolonging or introducing such a measure structurally in the electricity market design, even as a crisis measure, and noted concerns on the potential continued application of existing caps.

Flexibility and Demand Side Response

Regarding the development of flexibility in the electricity system and markets, the Forum recalls the importance and urgency of implementing the existing provision from the Clean Energy package, and sharing best practices in that respect. The Forum encourages the ongoing development of the new network code on demand response, and stresses the role of the Drafting Committee and the required involvement of stakeholders in developing the network code. Finally, short and long-term system flexibility needs should be fully part of grid planning and system optimisation.

Looking ahead: system readiness for net-zero

The Forum recognises the significant preparatory work by all parties to prepare the amendments to the Grid Connection Codes and calls on ACER and the Commission to take this work forward without delay. The Forum acknowledges the changing technical needs of the electricity grid, increasing system integration and the need for further work on this.

Energy Community

The Forum acknowledges the great strides taken by the Energy Community countries and TSOs to further integrate with the European electricity market and encourages them to continue with the necessary market reforms. In particular, the Forum commends the impressive work to keep the Ukrainian and Moldovan electricity systems functioning safely following last year's emergency synchronisation. The Forum encourages all parties to continue their work on agreeing transparent, non-discriminatory and harmonised rules for trade.