

Overall good Clean Energy Package marred by failure to address all market distortions

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“The Clean Energy Package for all Europeans” (CEP) must preserve and foster a level playing field in the wholesale power market, showing no favour to categories of market participant or trading platform. It must also ensure that the benefits of liberalisation, already established under previous EU packages of legislation underpinning the internal electricity market, continue to accrue to all end-users.”- says Peter Styles, Chair of the European Federation of Energy Traders (EFET)¹ Electricity Committee and Member of the EFET Board, on the occasion of the publication of an EFET [commentary](#) on the CEP. The texts proposed by the European Commission go some way to achieve these objectives, but certain market distortions will remain and still not all types of production and storage asset will be integrated in the market.

EFET therefore encourages the European Parliament and Member States in the Council to support the CEP as a whole. The overall emphasis on the use of market-based mechanisms and on improving the quality of price signals in the electricity market is welcome. Nonetheless, we remain concerned about omissions and inconsistencies in parts of the draft legislation. We are urging the Commission and other institutions involved in the legislative process to review the impact of a variety of provisions in the CEP on the functioning of the electricity market, observing the following aims:

- Ensure that balancing responsibility and exposure to imbalance risk extend to all corners of the market irrespective of the business model of a generator or supplier; thus all RES generators, demand response aggregators and local energy communities would be covered
- Bring output from not just new but also legacy RES generation projects into the wholesale market, by revising more comprehensively any right to priority dispatch and precluding persistent bidding at negative prices
- Re-assert the entitlement of market participants to procure cross-border transmission access on a forward basis and prescribe the congestion management obligations of TSOs accordingly
- Preserve and re-emphasise the full unbundling of distribution network management and operation from the businesses of power supply and storage
- Give ACER, under the supervision of the Commission, greater powers to foster the internal electricity market, in particular by initiating amendment of EU codes and guidelines and by driving harmonised decisions of national regulators.

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¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and a competitive economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org.