

ACER/CEER analysis of forward markets missing opportunities to improve liquidity and competition

19/07/2022 - Liquid and competitive forward markets are vital in hedging risks and allowing companies to manage volatility on behalf of customers. EFET was pleased to see that one of the recommendations from ACER's assessment of the EU Wholesale Electricity Market Design was to: "better integrate forward markets".

However, ACER and CEER's consultation on the possible developments of the EU electricity forward market is in danger of tackling the wrong problems with inefficient policy solutions.

Making sure all TSOs issue Long Term Transmission Rights and allocating those rights for longer than a year would be the best place to start, rather than focusing on very intricate policy proposals.¹

Efficiency of forward electricity markets requires liquidity. Liquidity requires simplicity and transparency. Some of the ACER/CEER type of interventions would introduce high levels of complexity that could jeopardize the attractiveness of forward markets. We urge our ACER and CEER colleagues to refocus and look forward to supporting them in that process.

For more details, read our full response and recommendations [here](#).
Also read our [Insight into Forward Markets](#)

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About EFET

The European Federation of Energy Traders (EFET) promotes and facilitates European energy trading in open, transparent and liquid wholesale markets, unhindered by national borders or other undue obstacles. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. EFET currently represents more than 120 energy trading companies, active in over 27 European countries.

¹For example: a complex hub system or forward market coupling with CfDs or futures.