



Swissgrid BGM Partner Meeting

14 November 2022

AGENDA

1. **Introducing EFET**
2. **Overview of policy development in EU and effects in Switzerland**
3. **Recommendations on market design**
4. **Development of markets in Switzerland and perspective from the EU**

OUR MISSION

- We promote **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 enable the **transition to a carbon neutral economy**.

Over 130 energy trading companies

Active in over 30 European countries

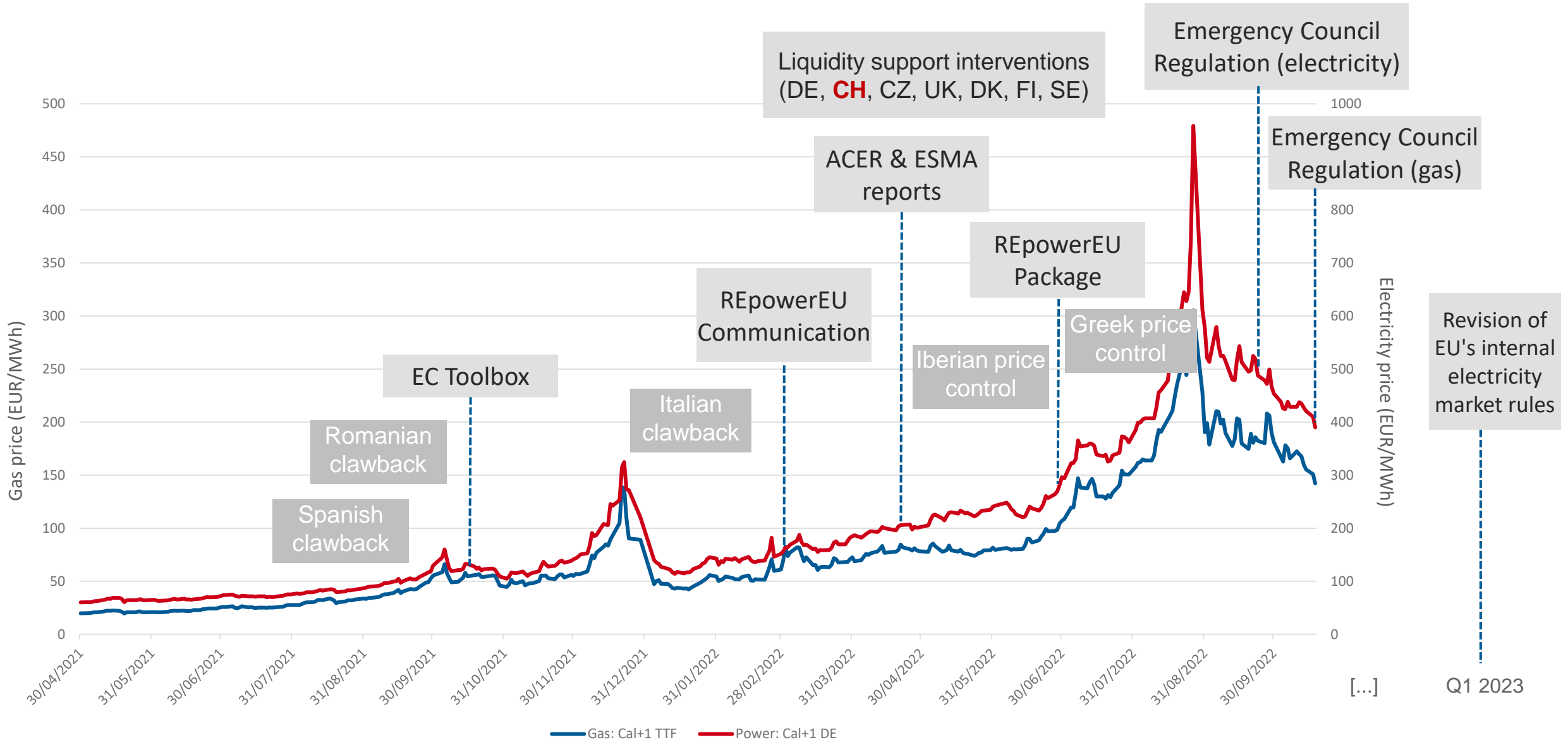
OUR MAIN ACTIVITIES

- Promotion of the single **European energy market**, integrated and interconnected
- Supporting the **liberalisation** of the energy markets
- Legal **standardizations**



Overview of EU policy development

Effects in Switzerland





EU Council Regulations

2022/1854 and 2022/1032

- Inframarginal cap (clawback)
- Demand reduction
- Liquidity support
- Regulated tariffs
- Gas storage targets

EFET position

- No price caps
- Demand reduction
- Liquidity support
- Targeted support for consumers
- Improve forward electricity markets

Recommendations on market design (1)

Monthly and yearly auction products
at Swiss borders

Monthly and yearly auction products at CH borders (1)

Swissgrid proposals

- Splitting the current only one yearly auction into two or three yearly auctions, each one week apart in December
- Introduction of quarterly auctions
- Performing the monthly auctions for January, February and March already in December

Monthly and yearly auction products at CH borders (2)



EFET supports

- Keep only one yearly auction to have the maximum volume available
- Auctions of yearly products **more than one year in advance**



EFET is against

- Introduction of **quarterly auctions**
- Clustering of **3 monthly auctions** in December



Recommendations on market design (2)

Cross-border capacity allocation and 70% rule
for 3rd countries

Cross-border capacity allocation and 70% rule for 3rd countries



Impact

Impact of 3rd country flows on capacity calculation & allocation within the EU is a reality



EFET advocacy

Integration of external EU borders and 3rd countries flows in a cost-efficient calculation & allocation of capacity



Current status

ACER and NRAs collecting data and reporting on 70% requirement **with and without** 3rd countries flows

Recommendations on market design (3)

Intraday capacity allocation at CH-IT border

Intraday capacity allocation at CH-IT border



EFET advocacy

- Quick implementation of **continuous explicit ID capacity allocation**



Delays

- TSOs & NRAs still considering the impact of the current energy crisis
- **Paused** due to resources



Current status

- Discussion postponed to the next Italy North Stakeholder Forum in **April 2023**

Recommendations on market design (4)

Swiss participation in balancing platforms

Balancing platforms



EFET advocacy

- **Inclusion of Switzerland** into the internal energy market (IEM)
- **Inclusion of Swissgrid in the balancing platforms** (PICASSO, MARI and TERRE) to secure the system security of the region



Current status

- Still subject of litigation at the General Court of the European Union
- Swissgrid using the platform but not connected to EU markets

Developments of markets in Switzerland

Perspective from the EU

Latest developments



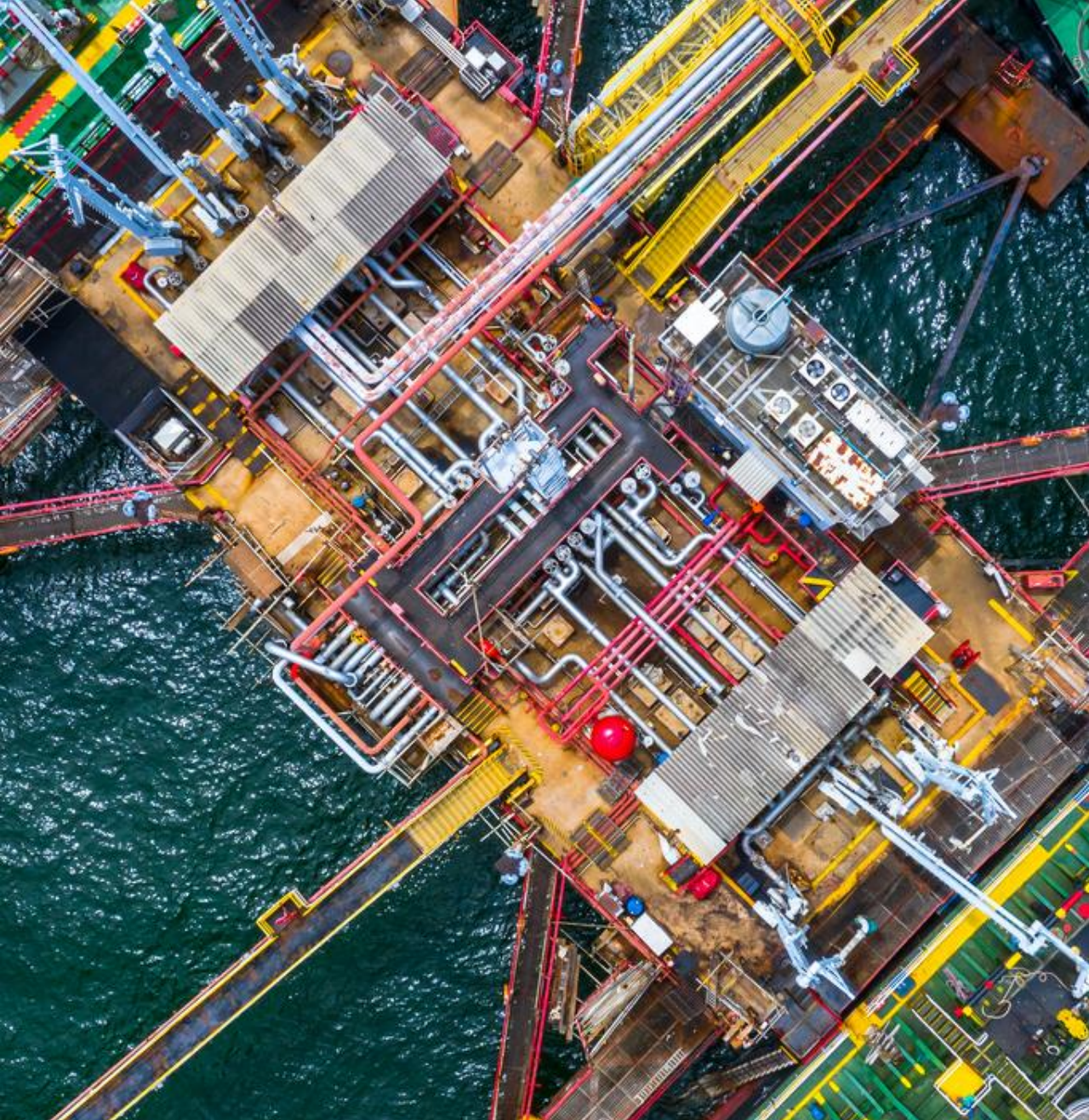
Electricity rescue mechanism
Consulted and adopted in May '22



Hydro water reserve
Introduced in Sept' 22 and 400 GWh auctioned in Oct' 22



Winter reserve
Consultation on-going (dual-fuel reserve power plants)



Thank you for your attention!