

## Press Release

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Date 21 February 2018

### **Electricity market design: two steps forward, one step back...**

Following the adoption of Mr Karins' report by the European Parliament's energy committee, the EUGINE Secretary General Ralf Wezel expressed mixed feelings:

"The European Parliament is heading towards liberalised, much more short-term, dynamic and flexible electricity markets where scarcity prices play a greater role. We very much welcome biddings close to real time, the marginal pricing, hedging products, imbalance settlement periods reduced to 15 minutes already by 2021, without derogations, contrary to the position of the Council of the EU."

"Nevertheless, the European Parliament made a big step back when reintroducing exemptions for generating installations below 500 kW regarding the balancing responsibility and the withdrawal of priority dispatch. This will weaken the market, increase costs for society and is therefore very unfortunate!"

"On capacity mechanisms, the European Parliament stopped halfway. It strengthened conditions to the use of capacity mechanisms, including by giving priority to less distortive strategic reserves, but forgot to specify how to calculate the CO<sub>2</sub> limit values. To avoid legal uncertainty and inconsistencies, a calculation methodology must urgently be defined by the trialogue negotiators."

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Transparency Register  
ID number 033807913798-84  
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EUGINE is the centre of knowledge for engine power plant technology and electricity market design. Its members are the leading European manufacturers of engine power plants and their key components. They provide forward-looking solutions for flexible electricity generation. EUGINE works with EU and national institutions in order to help the European electricity system to meet the challenges of today and tomorrow.

flexible energy