

Press Release

Contact Gaëtan Claeys
Phone (+32 2) 7 06 82 97
Fax (+32 2) 7 06 82 10
E-mail gaetan.claeys@eugine.eu
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Electricity Market Design: “Market first” is the right way forward!

Following the publication of MEP Krišjānis Kariņš’ draft reports on the revised electricity regulation and directive, EUGINE Secretary General Ralf Wezel expressed his overall satisfaction:

“We fully share Mr Karins’ “market first” approach which definitely is the best option to foster the development of renewables as well as flexibility solutions at lowest cost.”

“We are confident, that necessary investments in flexibility solutions, balancing the growing share of variable renewables, can be triggered by the energy-only market. However, exemptions and derogations distort the functioning of the electricity market and increase costs. We had identified this problem and were happy to see the Commission proposal already taking the right direction. Today we naturally wholeheartedly support Mr Karins’ suggested amendments, further improving the proposal by restricting exemptions, be it on price caps & floors, balancing responsibility, withdrawal of priority dispatch, competition in balancing markets or priority access.”

“We would appreciate, if also for the question of storage ownership by TSOs & DSOs mentioned in the electricity directive the same strict “market first” approach would be applied, ensuring a level playing field among the flexibility solutions.”

“Finally, we very much welcome the proposed approach on capacity mechanisms which includes detailed implementation plans to be prepared by Member States, a preference given to strategic reserves and the mechanisms’ phasing-out after 5 years.”

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. As flexible, energy-efficient, reliable and environmentally sound technology, engine power plants are an optimal solution to offset growing variations and ensure security of supply.

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European Engine Power Plants Association

President
Kari Hietanen
Secretary General
Ralf Wezel

Brussels Office

Boulevard A. Reyers 80
1030 Brussels
Belgium
Phone +32 (0)2 706-8297
Fax +32 (0)2 706-8210
gaetan.claeys@eugine.eu

Head Office

Lyoner Str. 18
60528 Frankfurt am Main
Germany
Phone +49 (0)69 6603-1936
Fax +49 (0)69 6603-2936
info@eugine.eu