

### **MPP vision on market integration – Key priorities by 2020**

A well-functioning European power market is essential for an efficient transition towards a power industry with zero emissions: it is a key enabler of the energy transition. Over more than 10 years, by enabling its members, the associations representing the electricity industry from each of the CWE countries, to speak with one voice, the Market Parties Platform has become a constructive and reliable partner for all stakeholders, in particular in the context of the Pentalateral Energy Forum (PLEF).

The MPP remains committed to work in favour of a transparent and efficient development of electricity markets at regional and European level, by helping to solve the short-term and medium-term challenges of market integration.

#### **Integrating, not fragmenting, markets, and creating a level playing field**

The MPP will continue working towards the achievement of the objectives of the Third Energy Package, by being actively involved in the implementation of the Network Codes in the CWE and CORE regions, aiming for:

- Ambitious and transparent methodologies for the implementation of the CACM GL, which is heavily based on regional approaches
- Efficient European balancing frameworks, including pricing methods, as per the EB GL, and beyond
- The evolutions resulting from the upcoming implementation of the Clean Energy package

From this perspective, the MPP will also insist on the need to create a level playing field between market parties, irrespective of their countries. Market integration should indeed be based on fair competition: competitiveness distortions should be assessed and dealt with.

The MPP will furthermore draw attention on the risks which can arise from non market-based distortive interventions or uncoordinated national approaches, notably in terms of bidding zone splits and/or interconnection capacity thresholds defined bilaterally, which tend to limit capacity rather than increasing it.

#### **Anticipating the market design of the future in the context of the energy transition**

In the context of the move towards a low-carbon economy and the energy transition, notably with the development of DSR and increasingly decentralised and weather-dependent generation the management of networks and market functioning will necessarily need to be re-assessed.

From this perspective, regional coordination of adequacy assessments, notably through the joint elaboration of scenarios, will become increasingly important: the MPP will continue monitoring and contributing to PLEF adequacy assessments in this respect.



The MPP will also follow the emergence of local flexibility issues and the interaction with existing markets (DA, ID and balancing) and mechanisms (congestion management) in the CWE and CORE regions, in order to actively participate to the PLEF work.

Considering that regional cooperation is a prerequisite to build a European electricity market, the MPP will keep maintaining close ties with Eurelectric and other regional associations. The MPP will also monitor relevant initiatives having a potential impact on the CWE and CORE regions (e.g. the North Seas Countries Offshore Grid Initiative - NSCOGI - for the deployment of offshore wind farms).

Finally, the MPP will follow regional policy discussions on other market design topics related to the achievement of energy policy objectives, such as for instance capacity mechanisms and investment schemes.