

Press Release

Exchange Council discusses electricity market safety measures

Members welcome renewed NEMO licence and were informed on EMD progress

Paris / Vienna, 11 December 2023. At their fourth quarterly meeting in 2023, the EPEX SPOT Exchange Council discussed the safety measures against bidding errors on European electricity markets. The members of the Exchange Council were informed about EPEX SPOT's safety measures currently in place, amongst them automated alerts for Market Operators, in case of significant difference compared to the member's historical bidding behavior. EPEX SPOT investigates also further improvements to the process to avoid bidding mistakes, such as additional automated alerts to members. "As long as the trading behavior follows rules and regulations, traders are, and should be, free to trade as they see best fit for the needs of their companies" says Bernhard Walter, Chairman of the EPEX SPOT Exchange Council. "However, for the sake of system stability, it is of utmost importance that exchanges and trading members have procedures in place to help detecting and avoiding trading errors in due time."

The Exchange Council was also informed about the progress regarding the reform of the European Electricity Market Design (EMD). The results of the dialogues for the EMD as well as for REMIT are still pending. Besides other market-relevant issues, EPEX SPOT together with other actors of the energy trading sector, is [advocating against the establishment of Single Legal Entity for Market Coupling operations](#). Furthermore, EPEX SPOT is also [speaking up against a ban of local markets](#) outside of SDAC and SIDC as foreseen in the EMD, which would prevent any possibility to create and develop new products catering specific needs. "We will continue our efforts to push for a reasonable reform of the EMD" says Ralph Danielski, Chief Executive Officer of EPEX SPOT. "Ensuring security

of supply without compromising the well-functioning energy markets must stay the focus of the reform – neither the Single Legal Entity nor the ban of local markets would support these goals.”

Additionally, the Exchange Council welcomed the positive development of volumes traded on EPEX SPOT in 2023, record high onboardings of new members – and the very high availability of trading systems over the year. “The ever-growing trading community with 55 new onboardings so far this year is proof of the strong relevance of power exchanges for the energy sector – and the faith in organised energy markets” says Jonas Törnquist, Chief Operating Officer of EPEX SPOT. “In times of crisis, our electricity markets have been a pillar of stability for the European economy.”

The Exchange Council was also informed about the renewal of EPEX SPOT’s license as Nominated Electricity Market Operator (NEMO) in France – the second planned renewal since the license creation in 2015. EPEX SPOT will use the license as a so-called “passport” to continue to operate electricity markets in Central Western Europe, the Nordic and Baltic countries, and Poland.

The fourth Exchange Council meeting of 2023 was held on 7 December 2023 in Vienna and was chaired by Bernhard Walter, Head of Market Design and Regulatory Affairs at EnBW AG.

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The Exchange Council of EPEX SPOT is an official body of the Exchange. 27 members and 4 permanent guests represent adequately the diversity of economic and corporate profiles that exists among the Exchange Members from various sectors: producers, power trading companies, transmission system operators, regional suppliers, and financial service providers, as well as commercial consumers and academics. Its missions include in particular the adoption of the Exchange Rules and the Code of Conduct of EPEX SPOT and their amendments. The Exchange Council approves new trading systems as well as new contracts or market areas and approves the appointment of the Head of the Market Surveillance Office. It meets up quarterly.

The European Power Exchange EPEX SPOT SE and its affiliates operate physical short-term electricity markets in 13 countries: in Central Western Europe, the United Kingdom, Switzerland, the Nordics and in Poland. Furthermore, EPEX SPOT newly offers local flexibility markets solution and Guarantees of Origin auctions, to foster the integration of renewable energy sources and to enhance the engagement of consumers and producers in the power market.

As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. More than 380 trading members are registered on EPEX SPOT. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit www.epexspot.com.

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