

PRESS RELEASE

European Parliament's electricity market reform shows needed ambition

Wednesday, July 19, 2023

BRUSSELS, BELGIUM –

In a significant vote today, the European Parliament's ITRE Committee approved an ambitious and improved Electricity Market Design (EMD).

The report builds on the European Commission's initial proposal, strongly focusing on long-term renewable energy deployment and enhanced protection for vulnerable consumers. While the Parliament aims to continue supporting renewable energy through long-term contracts, some elements of the EMD could still be improved. Bellona calls for directing revenues from Contract for Differences to benefit vulnerable citizens directly.

The Parliament seeks to build on and expand existing mechanisms that facilitate investments in grids. Grids have a crucial role in the transition and must remain a big part of the discussion. The report also emphasizes the importance of demand-side flexibility and proposes incentivizing the shift of energy demand when renewable sources are abundant, with mechanisms like 24/7 guarantees of origin.

With the Parliament's position now finalized, attention turns to the Council's development of a common approach to the EMD, paving the way for trilogue discussions in the future.

*The EP's report builds upon the EC's proposal by enshrining multiple provisions to integrate and expand renewables in our energy systems at the centre of the text. Despite missing an opportunity to directly allocate excess revenues from CfDs to support vulnerable consumers, we are pleased to note that the report still strengthened the provisions to protect such citizens. – **Marta Lovisolo, Senior Policy Advisor, Renewable Energy Systems***

*We commend the EP's proactive approach to recognising and strengthening the grid's crucial role in enabling maximum penetration of renewables in the European power mix. By ensuring grid connection between Member States through interconnection targets and locational pricing criteria for grid connections, the EP is taking significant strides towards a more integrated and efficient energy network. – **Ganni Vassallo, Policy Advisor on Electricity Grids***

Press Contacts:

Marta Lovisolo
marta@bellona.org
+32 489 63 88 62

Ganni Vassallo
ganni@bellona.org
+32 456 61 61 95