



Public consultation on the Electricity Market Design

Link to the paper: [Public consultation on the Electricity Market Design](#)

1.- Target participants

This consultation is addressed to representatives of ministries and public authorities, national regulators, Transmission System Operators, Distribution System Operators, Market operators, companies conducting business in the energy sector, industrial consumers and associations, NGOs, etc.

2.- Information Note

In the current crisis, the EU electricity market design has showed certain shortcomings. In spite of a growing share of renewables in the energy mix, consumers have faced unsustainably high electricity bills which are to a certain extent directly correlated to the price of fossil fuels, notably gas. Current instruments to protect large industrial consumers, SMEs and households against high prices and excessive volatility have proven to have limits.

As the revenues of many generators with lower marginal costs such as renewables, nuclear are influenced by the short-term market prices determined by the marginal pricing system, as a result of the crisis, generators that have low production costs have benefited from unexpected surplus profits, while their minimum profitability has been often protected by public support.

As a result, EU energy markets have been subject to increased ad hoc regulatory intervention in price setting giving rise to increasing uncertainty on future regulatory developments. It is therefore crucial to ensure that any regulatory intervention in the electricity market design preserves the incentives for investments.

The Commission is considering policy changes which can help ensuring that the benefits from rising renewable power deployment are brought to consumers such as large industrial consumers, SMEs and households.

The consultation document focuses on possible measures aimed to build a more resilient market, providing an added value for European citizens and the industry at large in the current crisis context and beyond. These measures are meant to be implemented quickly and on a permanent basis as part of the overall electricity market design and its long-term evolution in line with the changing needs of the energy transition.

The Commission intends to adopt the proposal with any relevant amendments to the electricity market design by the end of Q1 2023.

The content of the consultation paper is split into different sections:

- Making Electricity Bills Independent of Short-Term Markets.
- Alternatives to Gas to Keep the Electricity System in Balance.
- Better consumer empowerment and protection.
- Enhance the integrity and transparency of the energy market.

3.- Submission of comments

The deadline for submitting comments is **13 February 2023**.

Stakeholders should send their contributions through an online questionnaire available on the [European Commission](#) website, where the document to be consulted can also be found.

Likewise, please send a copy of your answers to the CNMV to the following email address: documentosinternacional@cnmv.es

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