



– Press release –

Efficient and Liquid Energy Markets Are Key to Achieving the Clean Industrial Deal Objectives

Brussels, 26 February 2025 | Europex welcomes today's presentation of the Clean Industrial Deal (CID) by the European Commission, an overarching growth strategy that strategically combines the strengthening of EU industrial competitiveness with the acceleration of decarbonisation towards the 2030 and 2050 climate targets. As Europe commits to revitalising its industries while upholding its climate ambitions, well-functioning, efficient and liquid energy markets are essential for delivering affordable energy to both European industries and households.

To this end, we support the strategic objective of further strengthening the EU Internal Energy Market (IEM), as outlined in the Action Plan for Affordable Energy, presented today as a key pillar of the CID. To achieve a fully integrated energy market the focus should be on increasing investments in interconnectors, enhancing energy system flexibility through market-based solutions, streamlining network tariffs and lowering energy taxation where feasible. In addition, the EU must prioritise the consistent implementation of existing legislation across all Member States.

Moreover, long-term contracts, such as Power Purchasing Agreements (PPAs) constitute a valuable tool in accelerating the development of renewable energy. However, the implementation of these contracts, alongside Contracts for Difference (CfDs), should be carefully assessed in relation to existing long-term hedging instruments as well as potential negative spill-over effects on spot markets. These instruments already support the growth of renewable energy projects while providing cost-efficient price management solutions to increase their bankability.

On the contrary, we believe that the EU should carefully evaluate any new market overhauls – whether in energy or financial services legislation – and avoid fragmenting the IEM through regional or national market interventions aimed at temporarily decoupling gas and electricity prices. As demonstrated during the energy crisis, such interventions disrupt the price signals essential for efficient dispatch and investment decisions as well as energy efficiency measures.

When it comes to gas wholesale markets, Europex generally considers the existing regulatory framework for energy and financial markets to be fit for purpose, ensuring optimal market functioning. Energy derivatives markets play a crucial role in providing stability instruments that enable the efficient management of price risks in volatile energy markets while supporting investments in energy infrastructure.

Finally, in support of the Action Plan's main objective to deepen the integration of the IEM, we emphasise the importance of active stakeholder engagement. Europex therefore calls on the European Commission to allow market stakeholders to engage in the Gas Market Task Force, as is also facilitated in the proposed Energy Union Task Force. In both task forces, the expertise and insights of energy exchanges and other market stakeholders are essential to ensuring that the right actions and adjustments are identified and implemented effectively.

About

Europex is a not-for-profit association of European energy exchanges with 35 members. It represents the interests of exchange-based wholesale electricity, gas and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

Contact

Europex – Association of European Energy Exchanges

Address: Rue Archimède 44, 1000 Brussels, Belgium

Phone: +32 2 512 34 10

Website: www.europex.org

Email: secretariat@europex.org

Twitter: @Europex_energy

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