Electricity wholesale markets: important efforts needed to meet the cross-zonal capacity target established by the Clean Energy Package

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​​The EU Agency for the Cooperation of Energy Regulators (ACER) published today the Electricity Wh​olesale Markets Volume​ of the 2018 Market Monitoring Report.

Among the main findings, the Report notes that the margin available for cross-zonal trade was on many bidding-zone borders much lower than the minimum 70% target established by the Clean Energy Package. Important efforts to meet this minimum target that will apply from 1 January 2020 are needed.

The Report also shows that the average day-ahead elec​​tricity prices increased in all European bidding-zones in 2018, with the exception of the Romanian market. Significant average price differentials were also observed on several European borders (more than 10 euros/MWh in nine borders). This finding suggests that there is room for further price convergence, provided it is cost-efficient.

Market coupling contributed to maintaining a high level of efficiency in the usage of available cross-border capacity in the day-ahead timeframe, reaching 87% in 2018. However, a few issues still need to be tackled to finalise the completion of single day-ahead coupling; namely the implementation of a flow-based market coupling for the whole of the Core region, and the integration of the various market coupling projects still coexisting in Europe.

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Several Member States also continue to have in place, or plan to establish, a capacity mechanism, whereas a number of them do not seem to face an adequacy problem in either 2020 or 2025. The related costs in 2018 reached 2.5 billion euros in Europe and are foreseen to increase in the coming years.

You can find all volumes of the latest edition here.