

PRESS RELEASE

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European Electricity Market Design: Flexibility of the energy system

EUTurbines welcomes the publication of the consultative communication on a new electricity market design today. This initiative arrives at the time when the growing share of intermittent renewable energy sources poses a flexibility challenge to the energy system that needs to be addressed.

EUTurbines agrees with the Commission that “both the demand side and conventional generation plants must be able and incentivised to respond to this flexibility challenge”. Operational flexibility, as offered by flexible thermal power generation, will play a crucial role to guarantee a continuous energy supply in the future, contributing to the stability of the grid.

Only with a well-functioning electricity market design – complemented with an appropriate carbon price under ETS –, the EU will be able to achieve a sustainable, competitive and secure energy system. Such a framework should reduce the need for market interventions, where capacity mechanisms “only address real market failure and not support uneconomic or unsustainable generation”.

For EUTurbines, the European electricity market design should:

- Ensure the full integration of all market participants in the system, who should equally have balancing responsibilities – including suppliers of renewable energy;
- Provide the right signals for investments in adequate flexible electricity back-up capacities that balance the intermittency of renewables and guarantee a reliable electricity system;
- Achieve the targets in a technology neutral manner, allowing flexible thermal power generation to compete with other options.

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EUTurbines represents all leading European manufacturers of gas and steam turbines. The sector has a turnover volume of Euro 25 billion and employs 70,000 persons in Europe. In addition, the industry purchases products and services of annually around Euro 6 billion in Europe.