

Core Messages for the 2021 Parliamentary Elections by EEX, EPEX SPOT and ECC – Part of EEX Group

General – The Role of Markets and Exchanges for Climate Protection and Sustainability

- 1. Markets contribute to the attainment of the Paris climate objectives, the European “Green Deal” and the German climate protection act, which are intergenerational and society-oriented projects.**

Markets facilitate investments in environmental protection (Green Finance) by bringing together commercial activities and ecological responsibility to ensure that freedom and prosperity can be preserved in the future. Emissions trading is the best example of this, as it makes a material contribution to the attainment of the necessary climate neutrality. Environmental risks are priced so that investments are made where this is most sensible - for reasons of sustainability.

EEX Group’s commitment: We organise energy and environmental markets – in Germany, Europe and worldwide.

- 2. Energy exchanges guarantee secure and transparent energy markets**

EEX (as an exchange under public law) and EPEX SPOT (as a physical market for short-term power trading) stand for integrity on the energy market. Transparency with regard to market activities is a matter of course. Our trading markets are the tried and tested tool for the commercial activities of all stakeholders.

EEX Group’s commitment: As the clearing house of EEX Group, ECC is the “safe haven” for settlement and hedging of all trading transactions. The EEX transparency platform ensures transparency of fundamental data (e.g. on the availability of power plants).

Climate policy and emissions trading

- 3. CO₂ pricing and comprehensive emissions trading for successful climate protection**

European emissions trading has proven itself. As a volume instrument with free pricing, emissions trading safeguards the achievement of CO₂ reduction targets at the lowest possible costs to the public. CO₂ pricing using emissions trading must be as comprehensive as possible, i.e. it must also include the transport and building sectors. Interventions, such as CO₂ minimum or maximum prices, should be avoided since they weaken the effect of the price signal which is based on supply and demand.

EEX Group’s commitment: We organise CO₂ markets, such as fuel emissions trading for Germany, European emissions trading and global emissions markets in North America and New Zealand.

- 4. Good investment conditions are more sustainable than mere subsidies for climate protection**

Climate protection means investment in new climate-friendly technology. However, this requires clear investment conditions – first and foremost, consistent and, at least, European or, even better, international CO₂ pricing for fair competition, rather than subsidies, such as Carbon Contracts for Differences.

EEX Group's commitment: We organise CO2 markets, such as fuel emissions trading for Germany, European emissions trading and global emissions markets in North America and New Zealand.

The power market and renewable energy at the heart of the energy transition

5. Renewables are the new conventionals – and they are fit for the market

Today, renewables provide around one half of our electricity – and even significantly more than that on some days. In many cases, the costs of renewables are even lower than those of fossil-fired power plants. In other words: Renewables are fit for the market.

EEX Group's commitment: We support the market integration of renewable energies with the right trading products – e.g. 15-minute contracts, and trading until shortly before delivery, on the EPEX SPOT spot market.

6. Re-allocation of EEG subsidies to innovations and new technologies

State support should concentrate on new technologies and promote innovation. This works best through investment grants with a strong incentive for market integration. New support instruments, such as contracts for difference ("CfD"), in contrast, undermine market integration and the innovative potential of the market.

EEX Group's commitment: We support the development of green power purchase agreements – so-called PPA. Moreover, we are expanding tradability on the derivatives market by up to ten years in order to cover long-term market risks.

7. Overcoming the true obstacle to the expansion of renewables – ensuring sufficient land and rapid granting of permits

For the success of the energy transition, sufficient land and fast issue of permits are required to achieve the ambitious aims for renewable energies. If the framework conditions are right, the market will ensure the most efficient expansion of renewable energies possible.

EEX Group's commitment: We provide the right trading products to ensure the market-driven further expansion of renewable energies.

8. Strengthening the power price signal – abolishing the EEG levy

To promote green electrification, the power price signal must be able to develop its full effect. If this aim is to be attained, the EEG levy should be financed through the federal budget rather than via electricity bills. In addition, other taxes and levies which increase the power price should be reviewed.

EEX Group's commitment: We review and publish the reference process for the power market and, as a result, the price signals for the energy transition.

9. The energy-only market guarantees security of supply - even with a high share of renewables

The market design of the energy-only market (EOM) has been tried and tested and continues to evolve. The EOM, which is based on free pricing, is a strong market with many – increasingly decentralised – generators and an increasingly active demand side, e.g. with storage facilities. Well functioning trading at EEX and EPEX SPOT ensures that there is sufficient flexible generation in the long term.

EEX Group's commitment: We ensure free pricing and the right trading products to synchronise generation and demand at all times and create incentives for necessary investments.

10. Letting the energy market develop innovations for the energy transition

Based on liquid trading, the power market independently and continuously develops solutions which market participants need for the market integration of renewables. After all, it is not just that renewables are fit for the market – the market is also fit for renewables.

EEX Group's commitment: We support the market integration of renewable energies with the right trading products – e.g. 15-minute contracts and trading until shortly before delivery on the EPEX SPOT spot market.

11. Market-based flexibility solutions are the best option for using the flexibility of consumers and prosumers for the energy transition

The expansion of renewable energies leads to a higher demand for flexibility, in particular, on the consumption side in order to operate the network safely and efficiently. Local flexibility markets assign a value to flexibility and, as a result, they can integrate new – and, in many cases, smaller and decentralised – players into the power market.

EEX Group's activities: EPEX SPOT organises local flexibility markets. This enables network operators to remove grid congestion while flexibility providers can optimise marketing of their flexibility.

12. Helping to shape the European energy transition and benefiting from it

An integrated energy market in Europe is important for the security of supply and the expansion of renewables since it permits large-scale balancing of generation and consumption.

EEX Group's commitment: Europe is part of our DNA. EPEX SPOT is a core player of European power market coupling. Based on their quality standards, EEX and EPEX SPOT organise power markets in more than 20 countries in Europe.

13. Expanding power grids as lifelines of the energy transition

While the price signal on the exchange is the pulse, the grids are the arteries of the energy transition – they must also grow to enable the energy transition to move forward. Germany is one price zone, one uniform power market. And it should stay that way to ensure that everyone in Germany can benefit from the energy transition to the same degree.

EEX Group's commitment: On the basis of the German price zone, we organise one of the most liquid power markets worldwide – with meaningful price signals and a benchmark effect.

Sector integration and green hydrogen as components of the integrated energy transition

14. Making Germany and Europe trailblazers for a green and global hydrogen market

Green hydrogen is an important element for the realisation of the climate targets. An exchange-based hydrogen market is a central component for the ramp-up of the hydrogen industry; it safeguards transparent trading conditions and price signals to connect sectors and integrate imported hydrogen. This creates a perspective for revenues beyond subsidies. En route there, natural gas with CO₂ separation is a possible a bridge technology.

EEX Group's commitment: Together with the stakeholders involved, we will develop a trading market for green hydrogen.

15. Allocating the “green” property of energy a fair value

Through tradable guarantees of origin, green energies – such as green power or green hydrogen – can be assigned an additional value, and the advantages of the use of such energies can be clearly and credibly demonstrated.

EEX Group's commitment: EEX carries out auctions of guarantees of origin on behalf of the French government. Moreover, our subsidiary, Grexel, is a leading register operator for guarantees of origin and it is also involved in the development of the first certification system for green hydrogen in Europe – CertifHy.