

## Press Release

## Energy prices: mitigating measures must preserve the price signal of the European wholesale market

**Brussels / Paris, 27 October 2021.** On 26 October, European Energy Ministers met to deliberate the issue of high energy prices and their impact on European citizens. They discussed the mitigating measures proposed by the EU Commission, such as tax reductions and direct support payments to citizens, which can relieve Europeans while preserving the accuracy of the market price signal. “EPEX SPOT welcomes the EU Energy Ministers’ renewed commitment to the green transition and their pledge to protect the end-consumer while preserving the functioning of the Internal Energy Market” says Ralph Danielski, Chief Executive Officer of EPEX SPOT.

The prices revealed by the European price formation process reflect the actual, currently tense, situation of demand and supply in the electricity system. The wholesale market has been designed to provide exactly such a transparent price signal for all European countries, in order to drive the necessary investments while optimising electricity flows on the continent. A neutral and undistorted price formation process remains in the interest of the end-consumer.

“From an operational point of view, the price formation process has been functioning smoothly and markets have been performing well, despite the tense situation. The highest level of market reliability is guaranteed” confirms Jonas Törnquist, Chief Operating Officer of EPEX SPOT. Vincent Derbali, Head of Market Surveillance at EPEX SPOT, adds: “As an independent body, the Market Surveillance continues to closely monitor the trading activity of all members to ensure orderly market conditions and fight market abuse. In the current context, we confirm an orderly functioning of the market, with prices driven by market fundamentals.”

The current market prices are a call for further integrating EU electricity markets and make them fit for an ever-increasing share of renewables. Market-based tools and innovative trading solutions, such as

close to real-time trading and local flexibility markets, must be deployed to achieve a fair and efficient energy transition.

For more information on the fundamentals of the European power market, click [here](#).

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**The European Power Exchange EPEX SPOT SE** and its affiliates operate physical short-term electricity markets in 13 countries: in Central Western Europe, the United Kingdom, Switzerland, the Nordics and in Poland. As part of EEX Group, a group of companies serving international commodity markets, EPEX SPOT is committed to the creation of a pan-European power market. Over 300 members trade electricity on EPEX SPOT. 49% of its equity is held by HGRT, a holding of transmission system operators. For more information, please visit [www.epexspot.com](http://www.epexspot.com).

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