



ENERGIE  
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We, the co-signatories of this declaration, are companies and an association of companies actively engaged in the energy transition through the transformation of our sector into a sustainable, flexible and customer-oriented power market. As part of this new paradigm, we are striving to develop market solutions aimed at delivering greater flexibility to balance an ever more variable electricity system. We believe that such a market will emerge if the conditions are set in a way that stimulates innovation, new business models and the development of related products and services in the interests of power customers and grid operators.

With the increasing growth of decentralised electricity production, the dialogue between system operators and market parties will be key in assessing the system's needs and defining market solutions to best meet the challenges of operating the grid reliably and securely. Unfortunately, we see little chance for this to happen if the EU legislation opens up large possibilities for TSOs and DSOs to build storage facilities and transfer these costs into the regulated basis.

Weakening the principle that system operators 'should not own, develop, manage or operate storage assets' will lead to a significant loss of welfare. Should system operators build flexibility solutions, this will increase the costs for the European consumers as these assets will only be used for network needs since they will not be allowed to participate in market activities. We thus believe that the most efficient approach is to ensure that system operators provide visibility on their needs for flexibility, which will allow market players to propose effective and cost-efficient solutions to the benefit of consumers.

***We therefore urge policymakers to carefully consider these issues in the trilogue negotiations related to the Directive on the internal electricity market and to guarantee:***

- An EU-level prohibition for system operators to own, develop, manage or operate storage assets;
- Duly justified and limited exceptions related to the absence of any market offers to emerge any time soon following the proper conduct of a market test or tender;
- An independent authority tasked to run the tender with the purpose of assessing the situation and seeking convergence between the needs of the grid operators and the market's potentials;
- A process aimed at transferring back regulated assets, particularly in the evidence of conflicts of interest.

[Articles 36 and 54 of the Draft Directive on the internal electricity market]

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