



European Commission



A REVISED EU ELECTRICITY MARKET DESIGN TO BOOST RENEWABLES, BETTER PROTECT CONSUMERS AND ENHANCE INDUSTRIAL COMPETITIVENESS

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The EU has had an **efficient, well-integrated electricity market** for over twenty years, allowing consumers to reap the **economic benefits** of a **single energy market**, ensuring **security of supply** and stimulating the **decarbonisation** process.

The energy crisis spurred by Russia's invasion of Ukraine highlighted the importance to make consumers benefit from the green transition. Accelerating the deployment of domestic renewable energy presents an **opportunity for the EU to boost its energy security and reduce fossil fuel imports**, making **consumer bills less dependent on volatile fossil fuel prices**.

The Commission is thus proposing changes to make the **EU's electricity market design fit for the future** and to:



Boost renewable energy investments



Better protect and empower EU consumers



Enhance the competitiveness of EU industry

STABLE ELECTRICITY BILLS WITH LESS FOSSIL FUELS

The reform will make electricity bills **less dependent on fossil fuel prices**, by promoting long-term contracts for renewable energy and bringing more flexibility into the system



This will **protect consumers, stabilise prices**, and **ensure** that the **lower cost** of renewable electricity is better reflected in electricity bills

A RENEWABLES-BASED ENERGY SYSTEM

The reform will **boost investment in renewables** through stable long-term pricing agreements, backed by governments, companies and citizens



This will build a **more renewables-based energy system** which is crucial to lower energy bills and ensure a sustainable and independent energy supply

MAKING EU INDUSTRY CLEAN AND COMPETITIVE

The reform will **support the electrification of industry** and boost Europe's position as a global leader in net-zero technologies



This will ensure that European industry has **access to clean and affordable energy** as the foundation for the green transition

CONSUMERS AT THE HEART OF THE REFORM: MORE PROTECTION AND EMPOWERMENT

To better protect consumers from high and volatile prices, such as those exacerbated by Russia's energy war against Europe, this proposal will give them **new rights** and **a wider contractual choice**:



ENHANCING INDUSTRIAL COMPETITIVENESS THROUGH STABLE ENERGY COSTS

Over the past year, many companies have struggled with excessively volatile energy price. **To enhance the competitiveness of EU industry**, the reformed electricity market design would improve access to **more stable longer-term contracts and markets** through:

- New measures to promote **Power Purchase Agreements**: these long-term private contracts between an energy producer and a consumer can protect against price volatility and boost investment in renewables
- Public support for new renewable energy investments will be supported through **two-way Contracts-for-Difference**, where Member States guarantee a stable price to producers and consumers, and channel excess revenues to those in need

To implement the **REPowerEU Plan** and reach our climate targets, **592 GW of solar PV capacity** and **510 GW of wind capacity** are required **by 2030**. This will create a 70% share of renewable electricity in the EU's system. **This requires average annual additions of 48 GW for solar PV and 36 GW for wind.**

