

EURELECTRIC/IndustriAll Europe/EPSU joint position on New Energy Market Design

The European Commission opened its Public Consultation on a new Energy Market Design on 15 July 2015. The consultation is part of a broader package of measures to achieve a European Energy Union. It was launched as part of the so-called Summer Package.

As social partners for the European electricity sector we are supporting the goal that a European energy strategy should deliver on the EU's 2030 climate and energy targets while pursuing a smart, sustainable and inclusive economic growth. Renewables will play a major role especially if the EU has the ambition to become the world leader in renewable energy. Redesigning the energy market is needed to adapt it to the ongoing transformation process, but they will imply social and employment challenges that need to be addressed.

As social partners we make the following observations:

- The issue of a new market design is a complex one. It has to balance many different interests. Amongst others, these include attracting investment and ensuring that the provision of electricity is secure, safe, reliable and reasonably priced. Citizens and especially low-income households should be able to pay their bills. A proper market design should also allow for keeping enough reserve capacity while supporting the development of a decarbonised power sector in Europe in 2050.
- Another important element is that workers in and outside of the electricity sector are relying on a stable electricity market for their jobs. There is currently a precarious situation for many workers in the electricity sector, especially among power plant workers. Many plants are not adequately remunerated for the services they provide (e.g. flexibility, security of supply) and therefore several companies foresee closure. Workers could lose their jobs.
- The issue of market design therefore has a clear social dimension that needs to be considered. A wrong design could result in a market that does not operate correctly. Large volatility could lead to much pressure on workers not being secure of their job. Strong anticipation mechanisms are therefore essential.

The consultation does not pay attention to this social dimension. We ask therefore that the European Commission includes the social and especially the employment implications of market design alternatives in a social impact assessment and discusses the outcome with the European social partners for the electricity sector.

We request the European Commission to have a more holistic approach in designing and launching its future energy packages. For the transition to be successful and just the interests of the workers and their companies delivering the services to Europe's citizens, communities and businesses need to be more integrated.

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