

# Tackling the energy crisis: energy savings, enhanced long-term signals, and harmonised short-term strategies

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Over the past three decades, liberalisation has ensured the progressive integration of Europe's internal electricity market, delivering around €34 bn per year of benefits to consumers. Russia's ongoing gas crunch, however, has caused short-term electricity prices to weigh

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*Eurelectric Secretary General  
Kristian Ruby*

disproportionately on customers' bills. Today, while the market continues to provide critical investment signals, soaring gas prices and increasing investment requirements call for an evolution of the market.

Yesterday, Eurelectric addressed a [letter to Heads of States and Governments](#) on the need to ensure energy supply and reduce prices without harming Europe's internal energy market and long-term objectives.

“The energy crisis has been triggered by Russia's conscious decision to disrupt Europe's energy supply. The Internal Energy Market is reflecting these disturbances, not causing

them. It is critical to acknowledge that this is the root cause of this crisis and that this should be the starting point when devising solutions.” said Eurelectric's Secretary General Kristian Ruby.

An imbalance between energy supply and demand is at the core of the current crisis. Saving energy among European citizens and businesses is critical to reducing such a gap. This would further secure Europe's existing supplies and reduce the impact of shortages on people and the overall economy.

Additional short-term emergency measures to tackle the price surge are understandable. Yet, temporary measures are not structural solutions, and their implementation should avoid long-term collateral damages. The current patchwork of national implementation measures is in fact harming Europe's internal electricity market and undermining investments in much-needed renewable and low-carbon infrastructure.

Safeguarding the European internal energy market also means avoiding radical design changes

that would be detrimental to security of supply and investors' confidence.

Kristian Ruby said:

"A poorly designed reform could cause a multi-year slump in investments at a time when they are most needed. On the contrary, an inclusive, well-considered reform can achieve real progress for Europe and the electricity industry stands ready with advice and support."

Eurelectric has recently set out its vision for a [forward-looking market design](#), capable of enabling consumers to benefit from cheaper low-carbon electricity while supporting massive investment towards the net-zero. This requires three new pillars being added to today's market design:

1. A contracting and engagement framework which consistently transfers the benefits of cheaper clean and renewable energy to consumers;
2. An investment framework to ensure the right signals for capital-intensive renewable and low-carbon technologies;
3. A more granular security of supply framework to meet the evolving requirements of the power system.

An essential objective of these pillars is to provide a more balanced choice between short-term and long-term price signals in retail prices. Enhanced long-term contracts and hedging instruments can provide clearer long-term investment signals for producers and limit the impact of price shocks for consumers.

Eurelectric calls on policymakers to:

- Introduce an enhanced and liquid long-term contracting framework with diverse products reaching up to 10-15 years or beyond the current time horizon of forward markets;
- Remove existing barriers to long-term contracts by lifting any legal obstacles, promoting standardisation, and transparency;
- Define common indicators, methodologies, and responsibilities to expand system planning framework and support increasing renewable rates, flexibility, and firm power needs.

The letter, unveiled today, and the [related industry position](#) will be followed up by a comprehensive study detailing the individual components of the suggested investment framework.

ENDS

Note to Editors:

Eurelectric represents the interests of the European electricity industry. With members in over 30

European countries, we speak for more than 3,500 companies in power generation, distribution and supply, directly employing 970.000 people and having a €627bn turnover. We seek to contribute to the competitiveness of our industry, provide effective representation in public affairs and promote the role of electricity in the advancement of society. For more information, visit: [eurelectric.org](http://eurelectric.org)

Press Contact:

Eleonora RINALDI, incoming Press & Media Officer

Tel: +32 473 401 729

e-mail: [erinaldi@eurelectric.org](mailto:erinaldi@eurelectric.org)

Eleonora Rinaldi

Eurelectric

+32 473401729

[email us here](#)

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