



GOUVERNEMENT

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7TH FRANCO-GERMAN ENERGY FORUM ON THE FUTURE EUROPEAN ELECTRICITY MARKET DESIGN

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Running order

- 1. France's take on the Electricity Market Design (EMD) reform**
- 2. Franco-German working group on flexibility**

1. France's take on the Electricity Market Design (EMD) reform

The European reform of electricity market

- **Protect consumer from the volatility of electricity markets while decarbonizing their electricity mix through the development of nuclear and renewable generation assets.**

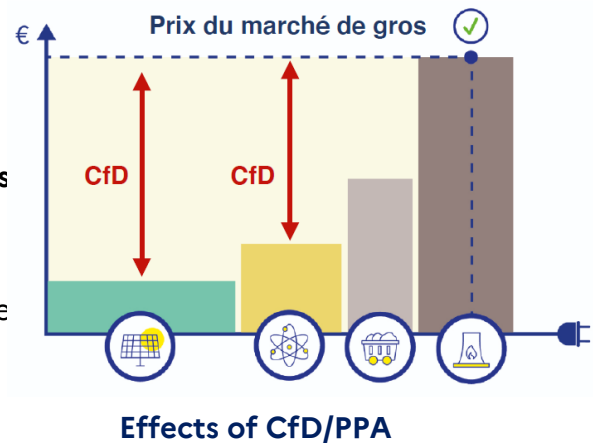
We welcome in particular :

- **Action on competitiveness** : reduce volatility / short-term markets, long-term price signals through PPA, CfD and the deepening of forward markets.
- **Action on consumer protection** : prudential regulation of suppliers.
- **Action on capacity mechanisms** : complementary cost coverage mechanism for security of supply.

Tools to protect consumers and investments in decarbonized electricity generations

➤ Enabling long-term price signals, reducing the gap between electricity bills and electricity production costs through :

- Longer maturities for **long-term market products**
- The development of **Power Purchase Agreements (PPAs)**
- The obligation to structure any direct public price support with **Contract for Difference (CfD)**



The European reform of electricity market

We also welcome :

- **The new provisions for the development of flexibility**
 - Removing market barriers
 - Defining flexibility support schemes with non-fossil fuel national targets including demand response and storage.

2. Franco-German working group on flexibility

A common initiative on flexibility



Both countries recognize:

« Flexibility is key to

- ensure security of supply
- to optimise the operation of the electricity system

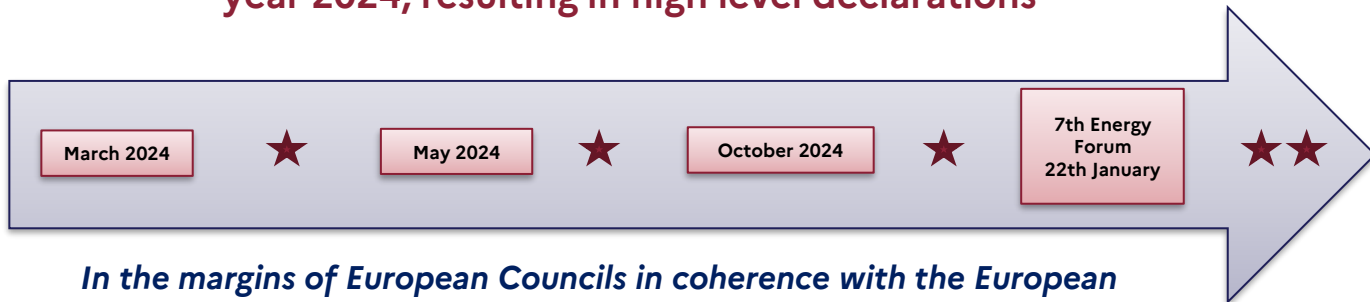
while bringing down electricity prices and strengthening Europe Competitiveness. »

Joint Press Release (04/03/2024)

A common initiative on flexibility



Based on technical exchanges between ministries throughout the year 2024, resulting in high level declarations



In the margins of European Councils in coherence with the European Agenda

Links :

- [Joint French-German Press Release \(04/03/2024\)](#)
- [French-German Declaration \(28/05/2024\)](#)
- [French-German Declaration \(15/10/2024\)](#)

A common initiative on flexibility



Based a joint action roadmap

Objectives :

- ✓ **A common analysis on the potential of flexibility**
- ✓ **Unlock the potential of demand-side flexibility**
- ✓ **Unlock the potential of flexibility for grids**

Actions :

- ✓ **A coordination on the Network Code Demand Response and the implementation of EMD reform**
- ✓ **Exchange on good practices to increase flexibility on the production side**
- ✓ **Cooperation to increase flexibility such as on granular market products**



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THANK YOU

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