Reforms for reliably affordable and resilient power markets

Understanding and addressing priorities of European countries

Future Power Markets Platform Workshop, Brussels, 27.03.2026

Hosted by Commission for Electricity and Gas Regulation (CREG), Rue de l'Industrie 26-38, Brussels

Pre-workshop drinks: 26.03.2026, 18:00
Venue: Brewdog Brussels, Putterie 20, near Central Station, 1000 Brussels

Studies have identified the benefits of locational marginal pricing of electricity for consumers. The full remuneration of energy balancing, congestion management, and system services through one market price unlocks demand side flexibility. This can reduce the need for additional generation capacity and grid expansion and save system costs. Furthermore, decentralized decision making based on efficient prices can enhance resilience to interruptions of communication and to cyber risks.

Political decision processes, however, often focus on reforms with short-term benefits for stakeholders in the energy sector. Mid- and longer-term benefits for consumers receive less priority because they are complex to understand. Electricity-intensive consumers who can understand the complexity and would also benefit from reforms, are appeased with public subsidies.

We will explore whether the broader political interest in electricity costs and grid access at the national and European level creates an opportunity for structural reform of electricity markets:

- Focus of policy makers on reliably affordable power prices for households and industry, facing inflation pressures and a challenging geopolitical context.
- Europe-wide concerns about power system resilience following recent events of power outages, infrastructure interruptions and cyberattacks.
- Concerns about escalating redispatch costs and grid charges from investments, required to uphold the illusion of a "copper plate" in some large countries.
- Concerns about grid access due to escalating connection queues, connection costs and non-firm connection contracts create a barrier for electrification and complex prioritization questions.

Electricity-intensive users benefiting from industrial power price subsidies can focus reforms to secure longer-term reliably affordable prices through markets.

We will discuss challenges that can be addressed with locational pricing and explore how obstacles for the implementation in pilot regions can be addressed.

9:00 Welcome coffee and registration

9:15 Opening perspective on policymaking in the EU: Timeline for national and European reforms

9:30 Session 1: Taking stock - concerns with current market design in European countries

We kick off with a survey of the bigger picture, including how priorities vary across countries and stakeholder groups. On this basis we will explore three dimensions with short perspectives by all participants on concerns, opportunities for flexibility, and required market design reforms.

10:30 Coffee break

10:45 Session 2: How can local marketplaces address the identified concerns?

We will explore whether and how local marketplaces could address policy priorities:

- Can grid charges be reduced by saving on operational costs and reserves for redispatch?

- Can grid charges be reduced if grid investments are guided by welfare maximization rather than securing a copper plate?
- Can connection queues be reduced if locational pricing unlocks synergies between batteries, electrified load, and renewables?
- Can resilience be enhanced if local pricing (i) avoids communication and cyber risks of centralized redispatch and (ii) prepare DSOs / part of DSOs to operate in island mode?
- Can local marketplaces engage consumers and mobilize flexibility available for all while avoiding the risk that consumers that can afford technology for autarky will disconnect?

12:30 Lunch

13:15 Session 3: What obstacles for a shift to locational pricing need to be addressed?

Market design reforms not only have beneficiaries, but actors can also forego privileges or be (potentially) negatively affected by uncertain price developments. We explore obstacles to a reform and how they could be addressed within the market design and complementary measures.

- **Local price risks:** It is difficult to predict future differences of average prices within countries. What is the international experience with using congestion rents to hedge consumers against local price risks?
- **Investments in wind- and solar power:** Simulations show dispatchable generators can benefit from locational pricing. For wind- and solar producers, transmission grid-related curtailment is avoided. However, in a smaller number of hours (negative) local market prices will incentivize endogenous curtailment. In contrast to grid-related curtailment, these are not compensated. Do capability-based/hybrid CfDs with remuneration during negative prices help?
- **Hedging intermittent generation and consumers:** Traditional power price and transmission cost hedges (FTRs) have pre-defined time-profiles that do not reflect needs of intermittent wind- and solar power and flexible consumers. Could CfDs passed to consumers (tripartite energy contracts) hedge producers and consumers against local price risks using congestion revenue (Energy Journal)?
- **Institutional capacity:** How could the expertise of TSOs be combined with the commercial expertise of PXs to allow for rapid implementation, and to ensure that local marketplaces advance long-term integration of European markets? What additional technical and commercial expertise would be required and is it available in Europe?

14:45 Coffee

15:00 Session 4: What do progressive member states require from Europe?

It is common practice for the EU to learn from market reforms that individual member states implemented successfully. If individual or groups of member states were empowered to adopt local marketplaces, they could possibly address their regional grid- and flexibility needs faster than with EU scale processes. At the same time, this would provide learning experiences and a blueprint for other European countries (FPM report 05/2024).

- What can we learn from the stepwise adoption of locational marginal pricing in North America?
- How can regulatory sandboxes in EU Network Codes allow adoption of local marketplaces?

16:00 Summary / next steps

We invite all participants to share their perspective on (i) how coordinated reform can contribute to reliably affordable power prices and (ii) which aspects require further in-depth discussion?

16:30 End