European Competition Day
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Competition in Energy Markets

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The Regulatory Context

• *Energy policy aims:*

  • Security of Supply
  • Environment (efficiency, renewables, CO2)
  • Competitive markets for prices, innovation, choice

• *Internal Market has an essential role to play in achieving all aims*
Energy Market Liberalisation:

- Legislation:
  - 1996/98
  - 2003
  - 2006

- Key issues for competition:
  - unbundling networks from supply
  - Third Party Access to networks etc
  - exclusive supply rights
  - Independent energy regulators
Market outlook

Market developments
- Oil & gas prices have collapsed
- Grid integration & market coupling have progressed
- LNG back in Europe

Persistent problems
- High degree of concentration
- Lack of cross-border competition
- Network foreclosure

“New” issues
- Res development challenges electricity grids
- Increased role for power exchanges and electricity pools
"Strict enforcement of the Treaty's competition rules will help to prevent companies from distorting the internal energy market. Antitrust enforcement will ensure that energy can flow freely by addressing territorial restrictions in supply contracts as well as upstream/downstream and network foreclosure issues (including interconnectors). The Commission will also assess – through competition law enforcement – the evolution and formation of energy prices."

25.2.2015
Competition Proceedings

- **Market Partitioning:**
  - Wholesale gas
  - Interconnectors

- **Foreclosure:**
  - Access to generation
  - Access to infrastructure

- **Pricing:**
  - Excessive pricing
  - Price formation