



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**



European
Commission

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

The Energy Union Framework Strategy and Role of Competition Enforcement

"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