

Call for Evidence on the revision of the EU Energy Security Framework

Brussels, 13 October 2025

Europex welcomes the opportunity to respond to the Commission's call for evidence in support of the creation of a new Security of Supply (SoS) architecture. The revision should harmonise and strengthen the resilience of electricity and gas systems while preserving the fundamental principles of the Internal Energy Market. Uniform and streamlined rules, for instance, for the definition of protected customers and the design and application of solidarity mechanisms, would help establish a level playing field and avoid double standards. **Security of supply should be ensured through efficient, transparent, and well-functioning markets.** Emergency measures must remain a last resort, strictly limited in time and scope. They should only be used if they are necessary, proportionate, and fully consistent with EU law.

The recent energy crisis demonstrated that market mechanisms ensured continuity of supply - even under extreme stress. Furthermore, it showcased the importance of market price signals, that helped to attract much needed LNG Supply to Europe. Wholesale electricity and gas markets balanced supply and demand and facilitated a rapid diversification of imports, while transparent prices guided consumption reduction and infrastructure investments. These fundamentals must remain at the centre of the future framework. **Security of supply depends on the ability of markets to signal scarcity and reward flexibility.** Preserving free price formation and cross-border trading is therefore essential for both operational reliability and long-term investment.

Future measures should build on existing legislation, including the Electricity Regulation, the Regulation on Risk-Preparedness in the Electricity Sector, the Gas SoS Regulation, and the Gas Storage Regulation, among others. The priority should be to improve coordination, harmoni(s)ation, monitoring, and preparedness within these frameworks rather than to introduce new layers of intervention. **Markets must remain the primary tool for ensuring the well-functioning of the energy system (incl. balancing and uninterrupted supply).** Any regulatory interventions or actions that remove volumes from the market or artificially mute price signals, such as peak-shaving or off-market demand reduction schemes, risk tightening supply and should be avoided.

Demand response and flexibility shall be integrated within existing wholesale and balancing products, supported by the forthcoming Network Code on Demand Response and interoperable data access.

We would also like to reiterate our **principal position on capacity markets**. While we recognise their increased relevance under the Electricity Regulation, we continue to see a fundamental risk that such mechanisms, if not properly designed, may distort the energy wholesale market. Therefore, we urge the European Commission and the co-legislators to ensure that their application remains strictly limited to cases where a genuine need is clearly demonstrated, and that Member States retain the flexibility to adopt designs that minimise the potential negative impacts on a case-by-case basis.

We are further convinced that **strengthening the Internal Energy Market (IEM)** holds significant potential to effectively address security of supply risks. Against this background, available cross-

border capacity should be further maximised and the geographical extension of the IEM to neighbouring non-EU countries should be actively supported and accelerated.

With regard to **gas markets**, supply and storage arrangements should remain market-based. The introduction of mandatory annual filling targets was a response to an acute supply shock and heightened price volatility. However, once the crisis period has passed, such measures should not become a structural feature of the gas market. Future approaches should instead focus on market-based supply standards, monitored by the relevant NRAs. These could include risk-based obligations for suppliers and shippers, regular stress tests with published results, minimum diversification requirements for supply portfolios and firm access to balancing and storage services - all applied with proportionate enforcement. Cross-border capacity must be preserved at all times. Joint aggregation mechanisms, such as AggregateEU, should prioritise transparency and voluntary information sharing, without interfering with market-based purchase practices.

As for energy storage in electricity markets, we encourage the Commission to swiftly adopt and implement the forthcoming **Network Code on Demand Response** in order to unlock the full potential of storage assets within flexibility markets.

Regarding network codes and general Level 2 legislation, we also call for a review of the **Network Code on Emergency and Restoration (NC ER)**. This piece of legislation would benefit from more detailed provisions related to market operation. In our view, there is significant potential to enhance the NC ER by making its underlying rules more operational and by exploring opportunities for greater harmonisation. Given its predominantly national focus so far, we see a lack of sufficiently detailed and explicit provisions concerning **market coupling**. Moreover, we believe that a scenario-based approach to market suspension and restoration is warranted, as there can be no one-size-fits-all solution to address the diverse root causes of emergency situations.

A coherent and future-proof security framework requires **effective mechanisms for information sharing, risk assessment, and planning**, without resulting in excessive centralisation. Governance arrangements should build on coordinated regional assessments, clearly and homogeneously defined crisis stages, and uniform and transparent procedures for the activation and subsequent withdrawal of any exceptional measures.

Concerning horizontal **legislation on cybersecurity and critical entities and infrastructure**, the NIS 2 Directive, the Critical Entities Resilience (CER) Directive, and the Regulation on the **Network Code on Cybersecurity (NCCS)** are currently in the process of implementation. These regulations contain their own provisions on reporting of incidents, policies in place, and on enforcement, including administrative fines or investigations. Overlapping and redundant regulatory requirements give rise to concerns about disproportionate sanctions and the necessity for multiple reporting obligations related to cybersecurity and resilience matters. In addition, given that NEMOs operate in different European markets, there is a risk that the implementation of these new provisions will lead to a fragmented regulatory landscape, where certain requirements apply in some Member States but are absent in others. To overcome this issue, we recommend that the criticality of an entity operating in multiple Member States be assessed by a single Member State (e.g., the Member State of the place of establishment).

Therefore, we welcome the Commission's proposal for 'Smart streamlining' that would test the extent to which existing provisions could be deleted or combined to ensure streamlined

implementation. We would caution against an ‘EU-driven action’ that seeks to establish centralised management, governance, and monitoring of the energy security framework at the European level. The European electricity market functions effectively through structured cooperation between Member States and is based on joint market operations performed by the NEMOs. This model ensures both the efficiency and reliability of operations and processes.

More generally, increased emphasis should be given to strengthening the resilience and robustness of market coupling systems and operation. In this context, it is essential to avoid a single point of failure. Lastly, we would also propose to streamline and reinforce cooperation on cybersecurity matters between NEMOs and TSOs, especially in the implementation process of the NCCS Regulation.

The current certification procedure for gas and electricity TSOs and gas SSOs, with its focus on security of supply, should not be extended to other energy assets. Instead of broadening its scope, efforts should focus on streamlining existing processes and ensuring that any future mechanisms are proportionate, efficient, and outcome-oriented.

Finally, we would like to reiterate that neither market participants nor marketplaces are currently represented within the **Electricity Coordination Group**. We therefore invite the Commission to consider options for broader stakeholder participation - either through direct involvement or via the establishment of dedicated consultative groups and stakeholder bodies – to ensure that future policy discussions benefit from comprehensive market expertise and operational insights.

We conclude that security of supply will be best ensured by **stable and predictable market rules, strong interconnection, and liquid trading across all timeframes**. The revised framework should reinforce these foundations, maintaining markets as the first line of defence and limiting emergency intervention to defined, proportionate, and temporary cases. This approach will safeguard system reliability, competitiveness, and consumer protection while maintaining Europe’s leadership in efficient, integrated energy markets.

About

Europex is a not-for-profit association of European energy exchanges with 37 members. It represents the interests of exchange-based wholesale electricity, gas, and environmental markets, focuses on developments of the European regulatory framework for wholesale energy trading and provides a discussion platform at European level.

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