

Europex Response to ACER Opinion No 09/2025 on the Bidding Zone Review

Brussels, 31 October 2025

Europex takes note of ACER Opinion No 09/2025 on the transmission system operators' (TSOs) proposal concerning alternative bidding zone configurations, issued on 17 September 2025. We acknowledge the substantial effort invested by ACER, ENTSO-E, TSOs, and stakeholders in delivering the first pan-European bidding zone review in accordance with Article 14 of Regulation (EU) 2019/943.

In the spirit of constructive engagement, we wish to highlight several observations and lessons learned that, in our view, are critical to ensuring that future bidding zone reviews deliver robust and decision-relevant outcomes.

1. Insufficiencies of the existing methodology

The experience of the bidding zone review has revealed a number of fundamental weaknesses that demonstrated that the ACER-approved methodology (Decision 28/2020) is not sufficiently robust, forward-looking or comprehensive to support major decisions on future bidding zone reconfigurations. In practice, the framework proved overly rigid and, in several areas, insufficiently robust to support major structural decisions on the future bidding zone configuration.

Lessons learned on the methodology

- *Incomplete system representation:* Certain criteria, such as loop flows, were assessed only on a subset of network elements, leading to results that are not representative of the overall system.
- *Poorly defined or incomplete criteria:* Some indicators were formulated in a way that produced systematically misleading outcomes (e.g., price signals for infrastructure development), while others (e.g., robustness of price signals) were not assessed at all.
- *Oversimplified long-term assessment:* The methodology failed to adequately capture the long-term impacts on low-carbon investment, despite concerns raised in public consultation.
- *Limited scope:* Several relevant system-wide interactions and country-specific effects fell outside the scope of the methodology, preventing a comprehensive evaluation.

Against this background, a critical reassessment and redesign of the methodology are therefore indispensable before future reviews are launched. We regret that the current assessment fell short in this regard and consider this a missed opportunity.

2. Necessity of forward-looking assessments

The present review has also demonstrated the limitations of an approach largely based on historical data and the replication of current operational conditions. While such analyses can inform the status quo, they provide limited value in assessing the future performance of bidding zone configurations over a medium- to long-term horizon (i.e., 5 years and beyond).

Given the anticipated structural transformation of Europe's generation mix, load patterns, and transmission infrastructure, forward-looking modelling – incorporating scenario analysis, sensitivity testing, and the reflection of planned grid developments – is indispensable. Insisting primarily on backward-looking assessments risks producing results that are neither robust nor relevant for guiding long-term decisions and may inadvertently perpetuate or exacerbate existing inefficiencies.

Unfortunately, we noticed in the present Opinion that ACER still wants to place more emphasis on the current situation (e.g., as far as the coordination of remedial actions across the Central Europe region is concerned). Again, we believe that this is a missed opportunity to improve the overall focus and approach of the Bidding Zone Review.

3. Future process improvements

Beyond the methodological aspects, we note that not all feedback from stakeholders was adequately reflected in the final deliverable. In general, we appreciated the way that the Bidding Zone Review was structured ensuring continued exchanges with stakeholders. However, we also noted shortcomings particular during the final phase of the process. As a consequence, we encourage to continue this path and check for further improvements (e.g., more systematic integration of input, hybrid engagement formats, discussion of results, etc.). We are convinced that this would further enhance the credibility and efficiency of the process.

Conclusion

The bidding zone review is a fundamental instrument to ensure that Europe's market design continues to support economic efficiency, effective congestion management, and the integration of renewable energy sources. To fulfil this role, future iterations must build on the lessons learned:

- a critical reassessment and refinement of the methodology,
- a stronger emphasis on forward-looking and scenario-based assessments, and
- an even stronger and more systematic integration of stakeholder consultation and input.

While we do not concur with all observations and arguments advanced in Opinion No 09/2025, we remain committed to contributing actively and constructively to an improved framework for assessing and evolving the bidding zone configuration.

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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