In 2020, COVID-19 caused a drop in energy demand and prices.

- 4% Drop in Electricity Wholesale demand and prices

4€/MWh Gas Wholesale prices all time low in May

In 2021, economic recovery is causing a surge in energy prices.

+ 200% Increase in Electricity Wholesale prices from January to October

+ 400% Increase in Gas Wholesale prices from January to October

What a difference a year makes...
2020 Electricity Wholesale: a step to the energy transition

Despite some progress, a full integration of electricity markets is yet to be completed to harvest full benefits.

Further integration despite the context:
- Day-ahead coupling applied in 25 European countries
- 29% increase in intraday liquidity
- Wind power generated more electricity than coal-fired power plants.

Some barriers to market integration remained in 2020. The level of cross-zonal capacity remains insufficient.
- 71% of the potential for exchanging balancing energy across borders still unused
- 31% of the time, the 70% target was reached over all borders and countries in 2020

1.5 billion € of additional yearly welfare gains from finalising the integration of short-term electricity markets

300 billion € of potential welfare gains for the next decade from keeping market integration at pace, including coordinated security of supply and increased cross-zonal capacity
2020 Gas Wholesale: reaching maturity in time to face new challenges

Efficient market reforms supported the integration of gas markets

Efficient and flexible booking of capacity improved tariff transparency and cost-reflectivity

More gas changing hands:
All-time high volume of natural gas traded at hubs

Share of biogas & biomethane in total EU consumption

High costs and no large-scale transport infrastructure:
decarbonised gases remain a minor share of EU consumption

The gas sector must urgently address regulatory and technical challenges to enable the injection of biomethane and hydrogen. Decarbonised gases could support EU climate goals.
2020 Retail Markets: Consumers must come first

“Up like a rocket, down like a feather.”
Retail energy prices correlate well with wholesale energy prices when wholesale prices increase; the correlation is weaker when wholesale prices decrease.

Energy costs represent only
- 44% of the gas bill
- 31% of the electricity bill

The bill breakdown varies significantly across the EU with consumers paying varying amounts for energy, network, and taxes across the EU.

Establishing and utilisation of appropriate empowerment tools in retail markets will engage consumer activity (e.g. clear bills, smart meters, price comparison tools)

Dynamic electricity price offers, real-time pricing and other more advanced services are still limited across the EU.

Only 8 Member States define energy poverty

It is important to strike a careful balance between protecting vulnerable groups against dramatic price rises, whilst enabling price signals to encourage efficient consumption choices and decisions.