

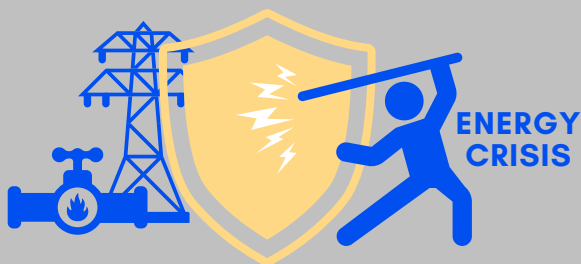
SECURING EU ELECTRICITY SUPPLY, COST EFFICIENTLY



2024 MONITORING REPORT

EUROPE'S INTEGRATED POWER MARKET

helps to keep the lights on (also in energy crises).



Big milestone in assessing EU security of supply:

ACER approved the annual European Resource Adequacy Assessment (ERAA) for the first time (the 2023 edition). But, further improvements in ERAA are still needed.



A robust ERAA will help inform decisions taken by:



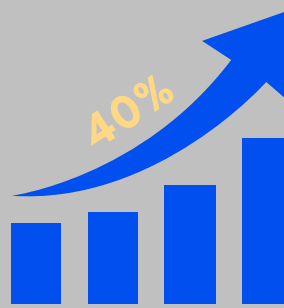
- ▶ Member States on their security of supply needs.
- ▶ European Commission on State Aid issues, e.g., regarding a need for a national capacity mechanism.

8 national capacity mechanisms cost the EU

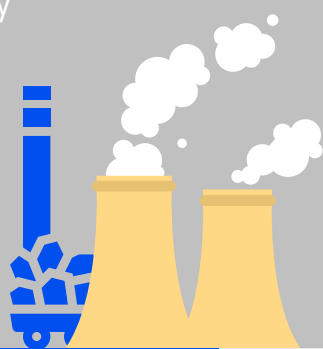
€7.4 bn

in 2023, a 40% cost rise.

Smart cost recovery can moderate the costs and reduce consumers' bills.



Fossil-fuels receive 85% of the EU capacity mechanism payments for 2035. Fossil-fuel lock-in could threaten decarbonisation.



85%

10 Member States have support schemes for non-fossil flexible resources. Some countries have both capacity mechanisms and flexibility support schemes.



ACER RECOMMENDATIONS



Further integrate EU power markets.



Properly implement EU rules (e.g., adequacy metrics, ERAA methodology).



Design better capacity mechanisms to contain system costs & support decarbonisation.



Coordinate support schemes for security of supply and flexibility.