

PRESS RELEASE
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EFET welcomes the Trade and Cooperation Agreement reached between the EU and the UK

The European Federation of Energy Traders (EFET)¹ welcomes the success of the parties in reaching an agreement (subject to ratification by the European Parliament and the British Parliament).

We are confident that trading of power and gas between Great Britain and continental Europe will continue smoothly from 1 January 2021, notwithstanding the need for customs declarations and changes in day ahead auction procedures.

We support the emphasis that the energy chapter of the agreement places on principles for the operation of energy markets, which must be observed on both sides:

- Free formation of wholesale power and gas prices
- No technical limits on prices amounting to a restriction on cross border trade
- Third party access to transmission and distribution networks
- Unbundling of the management and operation of transmission grids
- Integration of renewable energy sources in the electricity market

By emphasising such principles, the agreement ensures at least basic future alignment of the design of power and gas markets as between Great Britain and the EU27. It leaves open for the time being the question of linking of the EU ETS with the UK emissions trading system due to be introduced after 1 January 2021. We trust the deal done now can provide a starting point for yet closer cooperation in the future, to underpin effective and efficient cross border trading of energy commodities, emission allowances and related contracts.

We in EFET stand ready to work with the UK government, the EU Commission, TSOs, issuing bodies, energy regulatory authorities and financial regulatory authorities to build on the arrangements outlined in the agreement.

¹ The European Federation of Energy Traders (EFET) promotes competition, transparency and open access in the European energy sector. We build trust in power and gas markets across Europe, so that they may underpin a sustainable and secure energy supply and enable the transition to a carbon neutral economy. We currently represent more than 100 energy trading companies, active in over 27 European countries. For more information: www.efet.org