

EFET member companies working to safeguard European wholesale energy markets

PRESS RELEASE

2 April 2020

The coronavirus (Covid-19) crisis is presenting an unprecedented and dynamic set of challenges for our European society and the European economy.

Energy trading firms are working hard to ensure the safety of their staff and to contain the spread of the virus. At the same time they are implementing business continuity plans. This means EFET¹ member companies help assure the continued operation of energy markets, which underpin secure, competitive and sustainable energy supplies across the economy. Energy trading firms, along with their production, generation and retail affiliates, do so in the face of significant logistical and economic uncertainty and cope with unique challenges at every stage of the delivery chain.

As the economic ripple effects of the pandemic spread across industries in Europe, patterns and volumes of energy demand are changing.

EFET together with our member companies will continue to work closely with governments, regulators, network operators, exchanges and brokers to sustain markets in power, gas and related contracts at the wholesale level. This entails checking that these markets remain sufficiently liquid across various timeframes and in all forms of execution: whether by way of bilateral contracts, brokered over-the-counter transactions or transactions over energy exchanges.

Although national governments must prepare for the possibility of extreme events, the continuity of orderly markets allows energy producers and suppliers to make the best decisions about optimising the availability of electricity and gas, both now and in the future. Orderly markets in turn contribute to continuity in the delivery of secure and affordable energy to consumers and avert premature emergency interventions by governments and power or gas transmission system operators. Once the pandemic is under control and businesses can return to normal, depending on the ultimate degree of disruption, regulators may need to be prepared for an altered competitive landscape.

In the meantime, EFET practically aids the smoothness of market operation by issuing guidance as appropriate on use of our standard Master Agreements for wholesale transactions in power and gas. We also continue to update and extend our electronic

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.

transaction data exchange standards, which streamline the processes involved in wholesale trading of energy commodities and related contractual instruments.

In addition, EFET is monitoring and cataloguing for our member companies relevant EU and national measures designed to confront the Covid-19 viral outbreak. We do this in cooperation with European institutions and relevant industry and financial sector associations. We stand ready to take action as required. In this way, we hope to help the management teams of our member companies navigate uncharted waters ahead, and bolster their efforts to achieve business continuity in a safe and efficient fashion. Managers may also through us debate best practice to ensure continuity in their own companies, and thereby contribute to public confidence that crucial energy supplies will not be interrupted.