



## Broad coalition of energy associations and TSOs calls upon political leaders to prioritise enhanced electricity trade between UK and EU to fully develop the offshore potential of the North Seas

- The current market framework is inefficient, which will lead to investor hesitance in committing capital for developing our seas into offshore power hubs.
- Implementing a price coupling mechanism between the GB and EU electricity markets would facilitate substantial investments in offshore wind generation and grid infrastructure in the North Seas.
- All signatories are calling on the Energy Ministers to discuss their proposed solutions during the North Seas Energy Cooperation (NSEC) meeting on 24 October in Odense (DK).

**BRUSSELS | A broad coalition of 20 European energy associations and transmission system operators (TSOs) sent a joint letter to the North Seas Energy Ministers calling upon them to prioritise a more efficient electricity trade between the UK and EU. The current situation is deemed unfit for the future, and investors are hesitant to commit without efficient mechanisms in place. While some projects may still progress, Europe will be missing out on investment opportunities to fully develop offshore wind projects in the North Seas while we should, in fact, be aiming towards a European energy system that is more independent, sustainable, and resilient. Therefore, all signatories call upon the North Seas Energy Ministers to discuss the proposed solution during their upcoming meeting on 24 October in Odense, Denmark.**

Supported by prominent EU and UK organisations within the energy sector, the joint letter highlights the critical importance of resolving inefficiencies that post a substantial barrier to achieving the full potential of the renewable energy resources of the North Seas. Since Brexit, the inefficient market mechanism of explicit auctions has been in place on several borders between the Internal Energy Market (IEM) and GB markets. Additionally, the foreseen target model in the post-Brexit agreement, the Multi-Region Loose Volume Coupling (MRLVC) mechanism is unfit for the specificities of offshore developments such as the hybrid interconnectors. Hence, we need price coupling as this is the only efficient market mechanism.

### Boosting investor confidence for substantial investments in offshore grid infrastructure

Efficient, transparent, and well-functioning electricity markets are essential for optimal operation and investment within the sector, particularly for the roll-out of future hybrid interconnectors. The letter acknowledges that the current market design and its foreseen evolution is sub-optimal and not fit for the future. In view of this, the signatories put forward a valid alternative to reach an efficient and well-known price coupling mechanism to be re-established between the UK and EU/EEA, in order to increase efficient market operations and provide the appropriate context for investments.

Without confidence that the infrastructure will be used fairly and efficiently, critical grid and renewable generation investments are at risk of delay or cancellation.

*“To fully harness the offshore wind potential of the North Seas, it is essential to involve the UK. Market coupling and price convergence are prerequisites for successful UK-EU partnerships, as they will enhance efficiencies and generate greater social benefits. This improved collaboration will stimulate investments in offshore wind and hybrid interconnectors. As we progress towards decarbonisation, such cooperation will make our European energy system more independent, sustainable, and resilient. Ultimately, this represents a win-win scenario for both the UK and the EU.”*

**James Matthys-Donnadieu, Chief Customers, Markets & System Office**

### **Price Coupling is the only viable market mechanism**

The signatories propose re-establishing a system of price coupling between the IEM and GB markets. This will also maximise efficient electricity exchanges and ensure affordable prices for households and industries. It is broadly recognised that this would provide the framework for the optimal development and operation of the North Seas, meeting the climate and energy goals of the EU and UK.

Along with this letter, Elia has published a technical study to substantiate the issues that would arise if we continue with explicit coupling or if MRLVC were implemented.

It is proposed that the UK participates in the European Price Coupling framework but without full membership in the IEM, the governance of which remains fully under EU control. This can be achieved by integrating (hybrid) interconnectors from the GB market into the Single Day Ahead Coupling (SDAC) allocation process as a distinct service extension.

### **Call to action towards the NSEC Ministers**

Enhancing market mechanisms and ensuring efficient electricity exchanges are pivotal steps to secure mutual benefits, bolster energy security, and meet climate goals across the region. Our aim is a European energy system that is more independent, sustainable, and resilient. Therefore, and in light of the ongoing political momentum regarding the EU-UK relationship and the untapped potential for further strategic cooperation in critical areas such as energy and climate, the joint letter calls on the EU and UK Energy Ministers to discuss this topic, define concrete actions, and plan the necessary follow-up to investigate the proposal, ideally already during the upcoming NSEC Ministerial meeting taking place on 24 October in Odense, Denmark.

The joint letter is available [here](#).

The Elia technical study is available [here](#).

## About Elia Group

### One of Europe's top five TSOs

Elia Group is a key player in electricity transmission. We ensure that production and consumption are balanced around the clock, supplying 30 million end users with electricity. Through our subsidiaries in Belgium (Elia) and the north and east of Germany (50Hertz), we operate 19,460.5 km of high-voltage connections, meaning that we are one of Europe's top 5 transmission system operators. With a reliability level of 99.99%, we provide society with a robust power grid, which is important for socioeconomic prosperity. We also aspire to be a catalyst for a successful energy transition, helping to establish a reliable, sustainable and affordable energy system.

### We are making the energy transition happen

By expanding international high-voltage connections and incorporating ever-increasing amounts of renewable energy into our grid, we are promoting both the integration of the European energy market and the decarbonisation of society. We also continuously optimise our operational systems and develop new market products so that new technologies and market parties can access our grid, thus further facilitating the energy transition.

### In the interest of society

As a key player in the energy system, Elia Group is committed to working in the interest of society. We are responding to the rapid increase in renewable energy by constantly adapting our transmission grid. We also ensure that investments are made on time and within budget, with a maximum focus on safety. In carrying out our projects, we manage stakeholders proactively by establishing two-way communication channels between all relevant parties very early on in the development process. We also offer our expertise to different players across the sector in order to build the energy system of the future.

### International focus

In addition to its activities as a transmission system operator, Elia Group provides consulting services to international customers through its subsidiary Elia Grid International. In recent years, the Group has launched new non-regulated activities such as re.alto - the first European marketplace for the exchange of energy data via standardised energy APIs - and WindGrid, a subsidiary which will continue to expand the Group's overseas activities, contributing to the development of offshore electricity grids in Europe and beyond.

The legal entity Elia Group is a listed company whose core shareholder is the municipal holding company Publi-T.

[eliagroup.eu](https://eliagroup.eu)

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