

**TO:**

**Reg. №: 588/17.07.2024**

**MS. DITTE JUUL JØRGENSEN**

DIRECTOR-GENERAL

DG ENERGY

**MR. OLIVIER GUERSENT**

DIRECTOR-GENERAL

DG COMP

**SUBJECT: Extreme power prices in South-Eastern Europe since the beginning of July**

**DEAR DIRECTOR-GENERAL JØRGENSEN,**

**DEAR DIRECTOR-GENERAL GUERSENT,**

Since the beginning of July 2024 extreme power prices are observed on the DAM segment in South-Eastern Europe (SEE), especially on HUPX, OPCOM, HENEX and IBEX exchanges. The average daily prices in Hungary, Romania, Greece, and Bulgaria are the top 4 highest prices in the European Union. They surpass even the prices on the usually most expensive Italian market.

Moreover, for the first half of July the prices are 2 to 2.5 times higher compared to those in Germany, Czechia, Austria, and the Netherlands, and more than 3 times higher than day-ahead prices in France (see Appendix I).

Such extreme prices haven't been observed since the energy crisis in 2022.

Those price abnormalities are caused by a series of factors, including reduced transmission capacities, heat wave, lower hydro and wind generation, and increased export (up to 800 MW, according to some sources) to the Ukraine. All of those factors are outside the control of industrial end-users.

Such prices have huge negative impact on the competitiveness of energy-intensive industries, since the power price constitutes more than 50% of production costs in some sectors. Moreover, price difference of 2-3 times between South-Eastern and Western and Central Europe contributes to a non-level playing field on the common market. The energy-intensive industries outside SEE benefit from lower prices which gives them advantage before south-east European industry.

Such price differentials defeat the purpose of market coupling and the concept of common electricity market in the EU.

Some studies suggest that the transmission capacity from Central Europe to Hungary has been decreased by around 1,300 MW after 8 July. That prevents cheaper energy to reach SEE markets which will alleviate the situation. We would like to underline that division of the common market with different price levels (higher prices in SEE and lower prices in Central

Europe) is common occurrence.

It is evident that increasing the transmission capacity between Central Europe and Hungary is paramount for the entire SEE market and we urge the Commission to accelerate those projects.

Another market pressure is generated by increased export to the Ukraine. It seems that the support for the Ukraine falls mostly on the shoulders of SEE markets and is at region's energy-intensive industries expense. The commitment to the Ukraine is unquestionable; however, we believe that the effects created by this support policy should be shared among all concerned parties. Compromising the economies of the South-Eastern European Member States will compromise their ability to support Ukraine.

We would like to urge the Commission to take actions to alleviate the market disparity that adversely affects SEE's energy-intensive industries, including, but not limited to, allowing compensatory mechanisms to be put in place.

**Sincerely,**

**Wolfgang Indenhuck, President, ACCER**

**Konstantin Stamenov, Chairman of the Board, BFIEC**

**Antonios Kontoleon, Chairman of the Board, UNICEN**

**July 17, 2024**

**Bucharest, Sofia, Athens**

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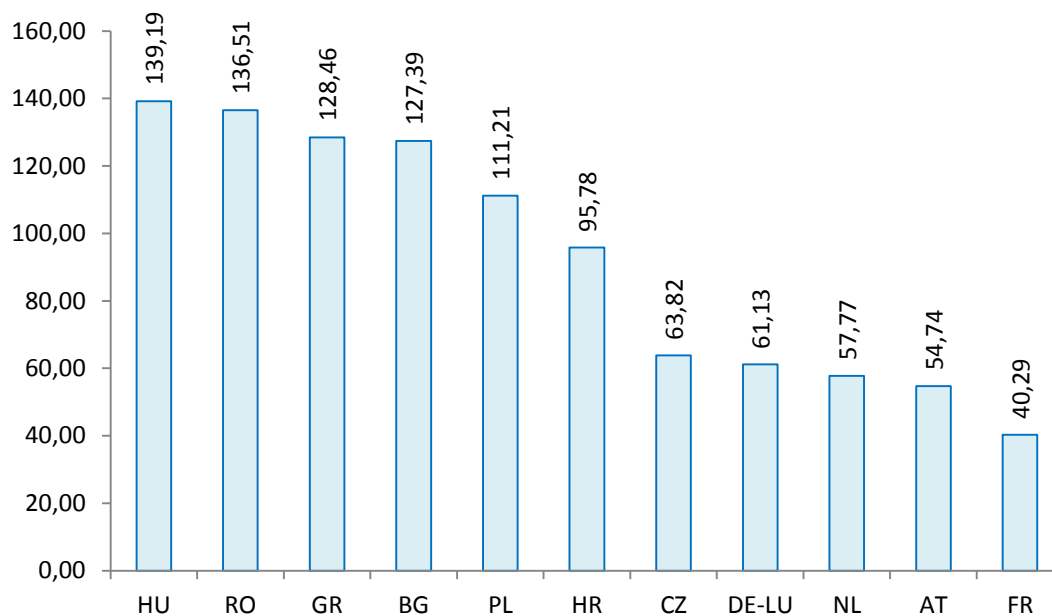
**The Association of Energy Consumer Companies in Romania (ACCER)** was founded in June 2021 and its main purpose is to determine and centralize the involvement of energy-consuming companies, thus forming a common voice of the Romanian industry, by representing and assisting members in energy-related issues. At the moment, ACCER counts 12 members, whose total cumulative volume of annual electricity and natural gas consumption represents about 31% of the specific national non-domestic consumption. ACCER is a member of the International Federation of Industrial Energy Consumers (IFIEC Europe)

**The Bulgarian Federation of the Industrial Energy Consumers (BFIEC)** was established in 2006 and represents the interest of the Bulgarian energy-intensive industries on the energy and environmental markets. The organisation includes 29 of the biggest energy consumers in Bulgaria that operate in the ferrous and non-ferrous, fertiliser, industrial gases, glass, cement, paper, chemical, extraction, manufacturing, and pharmaceutical industries. BFIEC's members are responsible for about 54% of the natural gas industrial consumption and about 50% of the electricity industrial consumption in Bulgaria. BFIEC is a member of the nationally represented Confederation of Employers and Industrialists in Bulgaria and co-chairs its Energy Committee. BFIEC is also a full member and a member of the Managing Board of the International Federation of Industrial Energy Consumers (IFIEC).

**The Hellenic Union of Industrial Consumers of Energy (UNICEN)** is a Non-Profit Non-Trading Company. It was founded in 2010 with the objective of jointly representing energy intensive industries before Greek, foreign and international bodies, authorities, organizations and companies in matters related to the energy sector. The 27 member companies of UNICEN represent the very backbone of domestic industry from various sectors, all possessing high energy intensity needs, i.e. in terms of high energy consumption per unit of product produced, such as cement, steel, non-ferrous metals, paper, fertilizers, etc. UNICEN currently represents approximately 50% of domestic industrial energy consumption.

**APPENDIX I**

**AVERAGE ELECTRICITY SPOT PRICES FOR SELECTED EU COUNTRIES IN EUR/MWH, 1 – 15 JULY  
2024**



Source: energy-charts.info, based on ENTSO-E data