



Union Française de l'Électricité

January 16th, 2020

UFE's opinion on Belgium's electricity market reform plan

UFE welcomes the opportunity to comment on the implementation plan submitted by Belgian authorities in order to reform its electricity market, as required by Article 20 of the Electricity Regulation 2019/943.

UFE acknowledges that the establishment of such a plan is mandated by Regulation for Member States with identified resource adequacy concerns prior to the introduction of a capacity mechanism. As such, **UFE suggests to the European Commission to primarily focus its assessment on the aspects of the regulatory framework directly related to security of supply issues faced by the Member State authoring the plan.**

From that perspective UFE considers that current wholesale and balancing markets' rules in Belgium are - generally speaking - well-designed and appropriate, (including for demand-side response). The introduction of a capacity mechanism to tackle adequacy concerns and ensure security of supply by sending the appropriate signals to maintain or build the necessary capacities (generation, demand-side response, storage...) appears therefore justified.

Other aspects of the implementation plan are in our view less directly related to the investment framework and security of supply and could therefore be considered of lesser importance in the context of the European Commission' assessment.