



NEWS RELEASE

EREC – European Renewable Energy Council

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Energy: Effective Competition in conventional power is a myth in European Power Markets

Brussels, 16th November 2004 --- Effective competition in the European power markets is just a myth: there is no real competition on more than 90% of the EU electricity market, and unless the current distortions in the emerging Internal Electricity Market are overcome, there will be no effective Internal Renewable Electricity Market for Renewables to compete in, according to a briefing released today by EREC, the European Renewable Energy Council.

“While other players in the conventional European Power sector ask for competition amongst renewable energy producers, it should be recalled that effective competition in the more than 90% of the market that is based on conventional electricity is a far cry from reality. This briefing shows that effective competition in conventional power is currently a myth”, said Oliver Schäfer, EREC Policy Advisor.

Some organisations and actors from the conventional power sector are increasingly calling for more competition in the European market for renewable electricity. However, effective competition in the conventional power market is a precondition for creating an undistorted and well-functioning market for renewable electricity.

“The conventional power sector should practice at home what many of them preach for renewables. It seems premature to call for competition in the renewables power segment at a time of non-competition in conventional power. Renewable Energy technologies could already be competitive if they had gotten the same attention in terms of R&D funding, subsidies, building up of monopolistic structures while taking external costs into account. Applying the ‘polluter pays’ principle alone would go a long way to level the currently non-level playing field”, Oliver Schäfer added.

The European Renewable Energy Council (EREC) is the umbrella organisation of the major European renewable energy industry, trade and research associations active in the field of photovoltaic, small hydropower, solar thermal, biomass, geothermal and wind energy.

The full briefing can be downloaded at www.erec-renewables.org