

Response to Energinet's consultation on Market-Maker model

Brussels, 8 August 2025

General comment:

We would like to express our support for the Energinet Market Making model. In general, we support voluntary market making as a way to increase liquidity in the forward market, based on a competitive scheme aimed at supporting market participants in offering bids and thus bringing liquidity to the forward market. We also usually favour market-making schemes run by power exchanges. Additionally, we would welcome more information regarding variable fees based on relative performance, including details of a given number of market-makers (for example, if there is only one or two).

Furthermore, we have specific recommendations :

- *Extending the trading window*
- *Including support for forward products with longer time maturities, especially as the scheme becomes permanent*
- *Regularly evaluating the support scheme to ensure a working design and efficient allocation of dedicated funds*

In addition to our general comments, we would like to reiterate our support for the issuance of LTTRs at all borders and in both directions. This scheme should not be a reason to eliminate LTTR auctions, as confirmed by Energinet during the webinar.

Specific Comments :

Do you believe the market maker model can help promote liquidity in the Danish forward market?

Limited positive impact

Which key model components ensure that it effectively creates liquidity?

- Voluntary scheme based on competition among market participants
- Support for cross-zonal and forward products
- Inclusion of Nordpool and EEX

Is the setup of the model with relative competition between market makers appropriate to create liquidity?

Substantial positive impact

Is the setup of the model with three separate pools appropriate for supporting liquidity?

Limited positive impact

Do you have any views on the proposed pool weightings in the draft: 10% for minimum requirements, 40% for bid/ask spread, and 50% for traded volume?

No.

Which contract maturities should be included in the model? The draft currently includes monthly (M), quarterly (Q), and yearly (Y) maturities.

We advise including products with longer maturities (up to 3 years) to further boost liquidity in the forward markets.

The draft includes a trading window from 14:30-15:30 on business days. Do you find this trading window appropriate?

No.

Do you see a need to adjust the window?

CONSULTATION RESPONSE



We would like to see the trading window extended to 2 hours to provide sufficient time for market participants.

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