

## Press Release

### Monopolies Commission presents 7th sector report on energy markets: "Competition with new energy"

- The spread of electric mobility is hampered by monopolies: Municipalities should promote competition between different operators in the development of charging stations.
- Insufficient competition in tenders for wind energy: more open space and permits needed.
- Wholesale electricity trading with problems during price peaks: control of abusive pricing should be adapted.

In its 7th sector report on energy markets published today, the Monopolies Commission draws attention to the competition problems associated with the energy transition (*Energiewende*). "We see **competition problems** both in the participation in tenders for wind energy and in the development of the charging infrastructure for electrically powered vehicles, which endanger the success of the energy transition," said Prof. Achim Wambach, Chairman of the Monopolies Commission. The Monopolies Commission is therefore proposing measures to ensure effective "**competition with new energy**":

**Attract several suppliers for the development of charging stations.** In Germany, the development of charging infrastructure is being driven forward by support programmes and specific commitment on the part of the municipalities. Currently, a regional concentration of individual suppliers can frequently be observed in this context. The largest operators of charging stations in each region have an average market share exceeding 50 percent. As a result, customers who want to recharge an electrically powered vehicle will not be able to choose between different offers. The lack of competition can lead to high prices for charging current and make the spread of electric mobility more difficult. With respect to the development of the charging station infrastructure, municipalities should focus more on competition when selecting operators. Cooperation with several different operators would significantly intensify competition on price for charging current.

**Provide sufficient space for wind energy.** The conversion of drive technology in the transport sector is also taking place with the objective of powering motor vehicles with climate-friendly, renewable energies. However, the increasing demand for these forms of energy generation is currently facing problems with the expansion of wind energy: so few bids were recently submitted for onshore wind energy tenders that they were not sufficient to cover the tender volume. The expansion is not only slowed down by the low number of bids, but there is also an increase in prices, which burdens the consumers in the form of the EEG levy. The reason for the low number of bids is the lack of open space and permits for wind turbines. Both should be made available as quickly as possible. If this is not successful, the tender quantity should be adjusted to the limited availability of open space and permits in order to restore effective competition on price in the tenders.

**Control of abusive pricing in electricity wholesale should be adapted.** The phasing out of nuclear power and coal prompts a shortage of flexibly available generating capacity in the

energy market over the next five to ten years. This increases the risk that, in certain market situations, individual producers may have the incentive and the ability to raise electricity prices by withholding capacity. It is therefore necessary to apply the antitrust rules on abuse of dominance, which prevent excessive prices in the electricity wholesale without disrupting necessary investment projects. The draft guidelines on the decision practice in abuse control submitted by the German Federal Cartel Office (*Bundeskartellamt*) together with the German Federal Network Agency (*Bundesnetzagentur*) should be adapted in various aspects. For example, the Bundeskartellamt should monitor reported power plant outages so that they cannot be used to influence the market price in a targeted manner.

The report is now available on the homepage of the Monopolies Commission.

The Monopolies Commission is a permanent, independent expert body that advises the Federal Government and the legislative bodies in the fields of competition policy, competition law and regulation. One of its statutory tasks is to prepare a sector report that examines the development of competition on the electricity and gas markets. The Monopolies Commission consists of five members who are appointed by the Federal President on the recommendation of the Federal Government. Chairman of the Monopolies Commission is Prof. Achim Wambach, Ph.D.