

Press release

„Energy 2021: Opportunities for competition for electricity exchanges, electric vehicle charging and hydrogen infrastructure“

New infrastructure dependent energy markets are currently emerging as part of the Energy Transition. The Chairman of the Monopolies Commission, Prof. Dr. Jürgen Kühling, observes, *“The infrastructure for electric vehicle charging and for hydrogen are being developed at the moment. The federal government should ensure that these structures realise the full potential of competitive markets.”*

In its **8th Energy Sector Report, published today**, the Monopolies Commission focuses on competition for electric vehicle charging points and the development of an infrastructure for hydrogen and makes recommendations for the next government:

1. Competitive prices at charging points require customers to have a choice!

A common political goal is to switch private transport from combustion to electric engines. However, the success of electric mobility depends on low charging prices. The Monopolies Commission highlights that such low prices require operators of charging points to compete for customers. An analysis of data of around 42,000 charging points shows, however, that few operators often control a large share of charging points in certain regions. Furthermore, customers are unable to access information about prices for instant charging without registration (i.e. ad-hoc charging) from existing operators in order to take advantage of targeted offers. The next government should therefore foster competition when developing the future charging infrastructure by providing higher subsidies to operators of subsidized charging points that own less than 40 percent of all charging points in a local area. Additionally, fast charging points from different operators should be available at each charging station along motorways. Customers should also have access to prices and other information, such as functional and occupation status, via a market transparency unit, similar to petrol stations.

2. Flexibly regulating new hydrogen networks and preventing cross-subsidization!

The government’s goal of its national hydrogen strategy is to build a market for hydrogen in Germany within a short period of time. To do so, hydrogen pipelines have to be built and natural gas pipelines rededicated to transport hydrogen. The transitional regulation for hydrogen networks, which was introduced for this purpose, is an important first step. Yet, it offers little opportunity for the regulator to react appropriately to the expected dynamic development of the hydrogen market. Therefore, the Monopolies Commission recommends a dynamic regulatory approach, known from the telecommunications sector, where the Federal Network Agency regularly analyses market conditions and, if necessary, uses regulatory instruments to remedy any observed competition issues. Furthermore, the Monopolies

Commission advises against a joint network charge to use hydrogen and natural gas networks in order to finance these networks. The associated cross-subsidization could potentially lead to unprofitable investments in hydrogen infrastructure and, in the long run, to delays in the desired switch to hydrogen.

3. Eliminating monopolistic structures to foster competition among power exchanges!

Given increasing amounts of renewable energy, short-term trading on electricity exchanges is becoming more and more important. For almost the entire trading period, the two active electricity exchanges in the Germany-Luxembourg bidding zone share their order books, i.e. suppliers and buyers who are active on different exchanges can trade with one another. During the last hour of trading, however, the incumbent, EPEX SPOT, does not share its order books anymore. Yet, the fluctuating feed of electricity from renewable sources requires that a large number of suppliers and buyers come together to match supply and demand efficiently, especially towards the end of the trading period. The discontinuity of sharing order books, therefore, hinders the competing trading platform to establish an alternative service to the incumbent that is attractive to all traders. Hence, the Monopolies Commission recommends sharing order books throughout the entire trading period.

The Report is available as of now on the [Homepage](#) of the Monopolies Commission.

The Monopolies Commission is a permanent, independent expert committee, which advises the German government and legislature in the areas of competition policy-making, competition law and regulation. Its legal responsibilities encompass, among others, the preparation of a biennial reports analysing the development of competition in the markets of grid-bound electricity and gas supply (§ 62 of the Law on the Energy Industry). The Monopolies Commission has five Members appointed by the Federal President based on a proposal of the German government. Prof. Dr. Jürgen Kühling, LL.M., is the chairman of the Monopolies Commission.