

Comments on Changes to CTC-BGC 1.4

To whom it may concern,

Inductive Energy is a pure trading balance group and is therefore very concerned with the changes APCS is planning to implement regarding the general terms and conditions. We believe the consequences of de facto restricting the economic efforts of pure trading balancing groups will have severe negative long-term consequences for the green energy transition in Austria, the wholesale electricity price in Austria, and the fairness of the market. Rather than punishing balancing groups with imbalances that are unfavourable to the system balance with the threat of termination of balance responsibility, we believe it is most efficient to create a market where the financial incentives for any participant are engineered towards helping improve the system balance. For every pure trading balance group terminated, it is our strong belief that first and foremost liquidity and turnover in the intraday market will diminish. This will lead to several unwanted consequences, such as the increasing likelihood of an oligopolistic market situation where ultimately a few large utilities will have all the pricing power and therefore the Austrian electricity consumer will pay higher prices. The lack of liquidity will also heavily discourage investment in green energy sources such as wind and solar power, as these are notoriously costly and difficult to balance in an illiquid market, as evidenced in Denmark, Belgium, and the Netherlands.

In conclusion, we hope that APCS sees the likely negative consequences of the changes of the general terms and conditions. We believe it is a step in the wrong direction, a move backwards, towards a more unfair, costly, illiquid, and less green future for power in Austria.

Sincere regards,

Jonas Justesen

Managing Partner