

## **Recommendations of the German NF-Metals Industry**

<b>Long-term objective</b>	<b>Medium term solutions</b>	<b>Immediate / Short term solutions</b>
<p><b><u>Market functioning</u></b></p> <ul style="list-style-type: none"> <li>▪ To improve the competitive functioning of the energy markets, we need a radical change towards a market with enough capacity reserve to make it operational. There is a need for more capacity and investments by energy producers.</li> <li>▪ Ensure well functioning and transparent markets, fair prices and effective competition. The currently existing price setting mechanism should be replaced by a system in which an effective interaction of supply and demand fundamentals will be possible, enabling long-term contracts based on true negotiations between producers and buyers.</li> <li>▪ Competition of the liberalisation process should come at much faster speed</li> </ul>	<p><b><u>Market functioning</u></b></p> <ul style="list-style-type: none"> <li>▪ Install more power capacity leading to reasonable national / regional surplus in supply of energy so as to ensure competition</li> <li>▪ Increased competition between producers implies that there should be no national / regional monopolies and a halt to further concentration leading to such monopolies</li> <li>▪ Optimised level of control: one TSO and one European regulator with legal power</li> <li>▪ More interconnection capacity, and better management and use of the existing interconnection capacity</li> </ul>	<p><b><u>Market functioning</u></b></p> <ul style="list-style-type: none"> <li>▪ Strong investment support in new power production capacity leading to a diversified energy mix not excluding any energy source, including nuclear energy</li> <li>▪ Regulation for power producers to use parts of profits for new investments in new power generation and R&amp;D</li> <li>▪ Strong action in the member states to reduce permitting processes lead-time that prevent investments today (5-7 years)</li> <li>▪ Lifting import taxes on fuel and electricity imports from outside EU</li> <li>▪ Immediate implementation of measures addressing the findings of DG Competition inquiry on the functioning of the power markets</li> <li>▪ Transparent price setting mechanisms: current system does not take energy mix into account</li> <li>▪ Unbundling the ownership of networks, supply and retail activities. Strong enforcement by the commission and regulators of existing legislation</li> </ul>