

3 March 2026

Delivering affordable, plentiful and secure energy

Dear Heads of State and Government of the Nordic countries,

Dear President of the European Council António Costa,

Dear President of the European Commission Ursula von der Leyen,

Dear Commissioner Dan Jørgensen,

The Nordic energy associations would like to thank you for the decisive actions the European Commission has taken in recent years to create a competitive and secure Europe. We as representatives of Europe's energy sector know that we play an important role in this work and take our responsibility to deliver our part in Europe's transition away from expensive, polluting and imported fossil fuels deeply serious.

It is important to acknowledge the significant competitive challenges that the EU is facing, as highlighted by some member states and industries as well as recognized by the European Commission. We share your concerns that further action is needed to improve European competitiveness and lower the collective energy bill of European consumers and companies.

To achieve this shared goal, we would like to take this opportunity to **express our strong support for the EU electricity market and the way electricity is traded and priced, based on climate targets and guided by ETS. This includes the merit order model and marginal pricing.** The current price mechanisms in the European electricity markets help to incentivize investments in the cheapest energy production technologies, encourage energy efficiency and flexibility in times of low supply and sends clear market signals that moves Europe away from the energy sources that are responsible for high energy and electricity prices, namely gas, oil and coal.

As stated by the 2022 ACER report on energy markets and the energy price crisis¹, for over two decades, the open and competitive electricity market has played a pivotal role in delivering investments and competitive electricity for industries and households. This is particularly evident in member states that have thoroughly implemented the agreed-upon electricity market rules. The Nordic region is characterized by the following:

- Electricity prices in the Nordic region are competitive in global comparison,
- High numbers of investments in clean and affordable energy

We therefore urge the Commission and the member states to continue to reduce Europe's dependency on imported fossil fuels; rapidly scale up clean energy deployment; invest in grids and cross-border interconnections and accelerate electrification of energy demand. This will result in **increasing the**

¹ ACER (2022) ACER's Final Assessment of the EU Wholesale Electricity Market Design

<https://www.acer.europa.eu/events-and-engagement/news/press-release-acer-publishes-its-final-assessment-eu-wholesale>

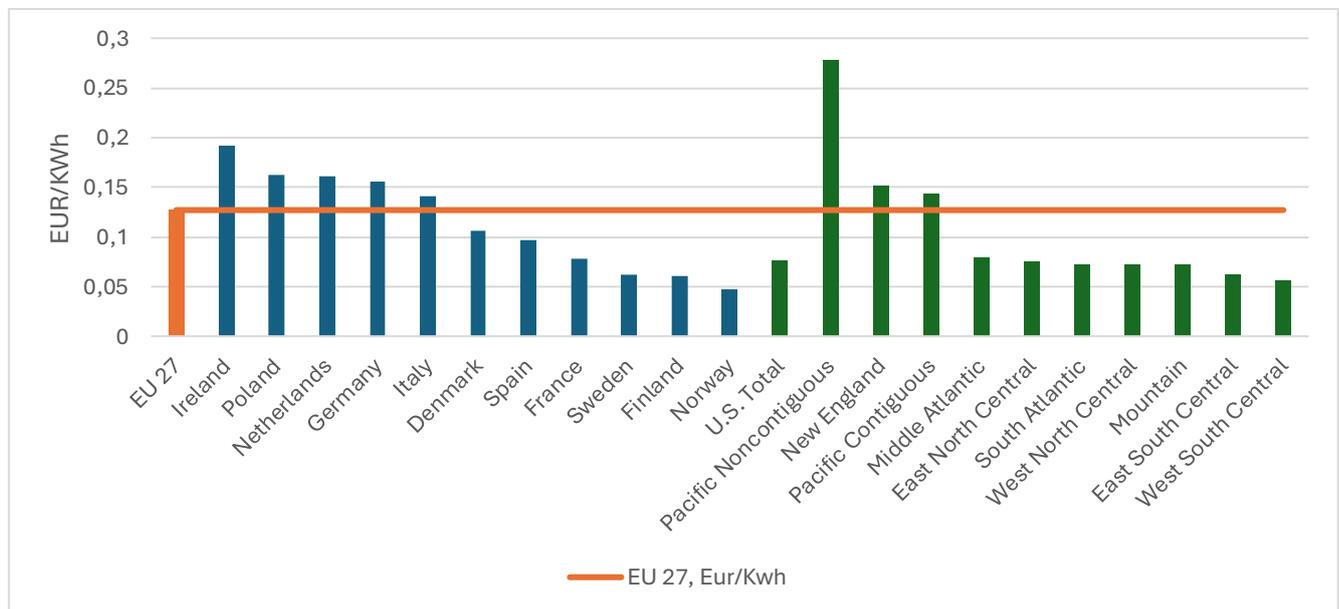
level of competition and boosting investments, reduced prices, decreased political risks associated with the market, and enhanced transparency for electricity users and producers throughout the EU.

It is unfortunate that many member states have not yet fully implemented the electricity market rules and have not enabled investments in new clean electricity production on the scale required to lower electricity prices. For example, some member states have not implemented the 70% cross-zonal capacity requirement, which is the main regulatory tool to increase electricity trade between bidding zones, improve market integration and stabilize European electricity prices across bidding zones combating price spikes.

When designing initiatives to help industries or consumers who are faced with high energy prices due to a harmful reliance on expensive fossil fuels, it is essential to provide support in a transparent and direct manner, without compromising the integrity of the electricity market. Simultaneously, the long-term roadmap for phasing out fossil fuels must be clear to create structural and strategic competitiveness for EU. Figure 1 below², show how electricity prices for energy intensive companies are below EU27 average and even below a number of US price areas for EU MS with a large share of renewables and other clean energy in their energy mix.

We must therefore stress that the issue of high energy prices in some EU MS is not due to a failing of the current EU electricity market design, but rather an overreliance on expensive fossil fuels, a lack of cheaper energy sources such as RES and a need for increased electrification.

Figure 1 - Industrial electricity prices for energy intensives in 2024 (EU-27, member states and USA, EUR/KWh)



Source: Green Power Denmark based on U.S. Energy Information Administration and EUROSTAT

² As U.S. electricity prices are not reported in consumption intervals, the figure compares the overall electricity prices for American “industrial companies” with the electricity prices for European companies with an annual electricity consumption of between 70 and 150 GWh per year. This consumption level is considered comparable to the electricity use of energy-intensive industrial sectors. EUROSTAT figures do not list the prices for Iceland and they are therefore not included in the graph above. Icelandic energy prices are however consistently well below the EU27 average.

In closing, the Nordic energy associations would also like to voice our full support for the letter previously forwarded by Eurelectric and iterate the important point that at this critical juncture - when unprecedented levels of capital must be mobilised to deliver the energy transition - regulatory stability and predictability are indispensable. Delivering massive investments in clean power generation is the structural answer to reduce our dependence on fossil fuels. Reopening the fundamental principles of the electricity market design risks increasing uncertainty, delaying investment decisions, and ultimately raising system costs. Which would effectively prolong Europe's harmful dependence on expensive fossil fuels as the economic basis for investments into cheaper and European-produced clean energy production are cast into doubt.

The Nordic energy associations stand prepared to engage in further conversation and technical work to find the right solutions to delivering affordable, clean and European-produced energy on a continental scale.

Best regards,

Jukka Leskelä, Managing director, Finnish Energy

Åsa Pettersson, CEO, Swedenergy

Kristian Jensen, CEO, Green Power Denmark

Bård Vegar Solhjell, CEO, Renewables Norway

Finnur Beck, Managing Director, Samorka

