Deploying large amounts of variable renewables requires the transformation of power markets and ensuring renewables contribute to system security and market fundamentals.

A market fit for a future where renewables are the backbone of the power system can be achieved with:

1) **No regret measures**
   - Complete the Internal Energy Market (IEM) through the EU-wide Target Model;
   - Move from a supply-side oriented to a more balanced approach;
   - Reinforce the grid and expand interconnectors;

2) **Revitalised price dynamics**
   - Implement structural measures to fix the EU ETS;
   - Improve power market operations:
     - Make full use of cross-border transmission capacities;
     - Ensure continuous intraday trading with short and harmonised gate closure times;
     - Expand cross-border balancing;
     - Create instruments to hedge against price differences between bidding zones in case of congestion;
   - Making the energy only market fit for renewables:
     - Allow for price spikes in the energy only market;
     - End price regulation and link wholesale and retail markets;
     - Improve liquidity in power markets;
     - Replace day-ahead prices with short-term market signals;
   - Create commercial markets for ancillary services;
   - Reduce overcapacity:
     - Accelerate the decommissioning of the most polluting and inflexible generation assets;
     - Avoid incentives for superfluous capacity – make Capacity Remuneration Mechanisms (CRM) a last resort;
   - Use revenue stabilisation mechanisms to send clear price signals to investors;

3) **New products and institutional roles**
   - Develop new financial products to hedge long-term risks;
   - Increase the role of long-term contracts for financing new power generation;
   - Develop ACER oversight competences;
   - Enhance TSO coordination at regional level including for market facilitation services.