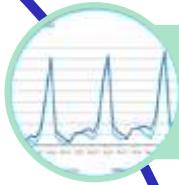
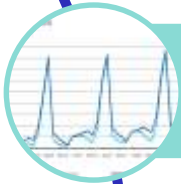


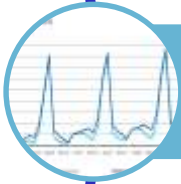
BARRIERS TO SCARCITY PRICES



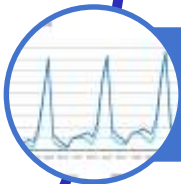
Scarcity prices appear when there is a real risk for brown outs, which is not politically accepted.



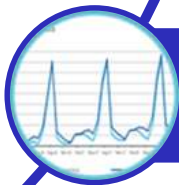
Price caps should be set higher or removed, but they are not the main issue...they are very rarely reached



Subsidies that distort the merit order or the generation mix and other interventions are the key issue: prices do not go as high as they should



Currently, scarcity prices are so rare and so uncertain that they do not provide investment signals



Non-profitable assets should be allowed to leave the market: remove exit barriers