

Stakeholder Workshop on the ACER Assessment of the EU Electricity Market Design

Thursday, 10 February 2022 / 09.00 - 13.00 CET

Context:

The European Commission, in its [‘toolbox’ Communication](#) of 13 October 2021, tasked the EU Agency for the Cooperation of Energy Regulators (ACER) with carrying out an assessment of the current wholesale electricity market design by April 2022, and providing a preliminary assessment by mid November 2021.

ACER submitted its [Preliminary Assessment of Europe’s high energy prices and the current wholesale electricity market design](#) to the European Commission on 15 November 2021.

The ACER Preliminary Assessment:

- provides some key drivers for the electricity price impacts across Member States;
- looks at how the move towards gas-on-gas pricing in Europe (rather than oil-indexed contracts) has yielded significant benefits over the past decade and how this relates to price volatility issues going forward;
- includes key characteristics of the current electricity market design, setting out ACER’s initial perspective on certain price volatility issues and on alternative market design approaches;
- adds the latest data and analysis from ACER’s energy market monitoring on related dynamics in the European electricity market; and
- provides an initial outline of ACER’s final assessment due in April 2022.

Workshop Objective:

This workshop aims to ensure an open discussion among interested stakeholders, to gather input on issues such as:

- the benefits and drawbacks of the current wholesale electricity market design and related matters;
- the issue of sufficient revenue certainty in electricity markets, in view of the massive investment needs up ahead; and
- options for cushioning or shielding end-consumers from perceived excessive levels of price volatility that impact affordability.

Format:

It is a mix of case studies; panel discussions; participant discussions (where all online participants have the same role and can share views or ask questions); and online polls.

Pre-Reading: [Preliminary Assessment of Europe’s high energy prices and the current wholesale electricity market design](#)

How to register: To participate in the event, register [here](#) by the 8th February.

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Register [here](#).

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DRAFT AGENDA	
08.45 - 09.00	Time to connect
09.00 - 09.15	Introductory Remarks: Christian Zinglensen, ACER
09.15 - 10.30	Session 1: Investments Moderator: Rafael Muruais-Garcia, ACER
	This session addresses whether the current electricity market design drives efficient investments to achieve carbon neutrality.
09.15 - 09.25	Case Studies <ul style="list-style-type: none"> • Alejandro Hernandez, International Energy Agency (IEA) on what's needed for the energy transition • Fabien Roques, University Dauphine Paris on hedging instruments
09.25 - 09.55	Panel discussion <ul style="list-style-type: none"> • Does the EU need to consider further instruments to increase revenue certainty (e.g. longer-term contracts, contracts-for-difference, Power Purchase Agreements (PPAs) or capacity remuneration mechanisms)? • Which ones, what would be their main benefits and drawbacks? • Konrad Purchala, PSE (Polish Transmission System Operator) • Artur Patuleia, e3g • Manuel Baritaud, European Investment Bank (EIB) • Cillian O'Donoghue, European Association of Ferrous Metals (Eurometaux)
09.55 - 10.30	Participants discussion (post online via Q&A)
10.30 - 10.40	Virtual Coffee Break

10.40 - 11.40	Session 2: Electricity Volatility as a Driver for Flexibility Moderator: Clara Poletti, ACER Board of Regulators and Italian regulatory authority, ARERA
	This session looks at electricity price volatility as a driver for flexibility in the power system.
10.40 - 11.10	Panel discussion <ul style="list-style-type: none"> • Price volatility (including the current price 'shock' situation) seems to indicate that the system has limited flexibility. How to best incentivise increased flexibility? • How best to create a level-playing among all technologies (including storage, generation, demand side etc.) that provide flexibility? • Do we need more hedging products for flexibility-related revenue (e.g. products on price volatility or on low wind)? <ul style="list-style-type: none"> • Kristian Ruby, Eurelectric • Walburga Hemetsberger, Solar Power Europe • Mark Copley, EFET • Michael Villa, Smart Energy Europe (SmartEn)
11.10 - 11.40	Participants discussion (post online via Q&A)
11.40 - 12.50	Session 3: Electricity Volatility, Suppliers and Consumers Moderator: Csilla Bartok, ACER
	This session addresses price volatility, suppliers and final consumers
11.40 - 11.50	Case Studies <ul style="list-style-type: none"> • Philip Lewis, VaasaETT on retail markets and consumers • Antonio Colino, European Energy Retailers on lessons for market design from the supplier perspective
11.50 - 12.20	Panel discussion <ul style="list-style-type: none"> • Which requirements should apply to suppliers, regarding promotion of hedging, collateral, and what information consumers should have to better protect them from price volatility? Should such requirements be harmonised at EU level, or defined locally? • Which market-based instruments could help shield consumers from volatility (especially vulnerable consumers) in such a way that it does not affect overall market efficiency? • In what way will the evolution of the retail market and its regulation have implications for the design of wholesale markets and how to ensure this is accommodated in the improvements to wholesale market design? <ul style="list-style-type: none"> • Jaume Loffredo, European Consumer Organisation (BEUC) • Michael Pollitt, University of Cambridge and CERRE • Sophie Yule-Bennett, Regulatory Assistance Project (RAP) • Rachel Fletcher, Octopus
12.20 - 12.50	Participant discussion (post online via Q&A)
12.50 - 13.00	Closing Remarks: Christian Zinglensen, ACER