

Energy Transition: A Multifaceted Challenge for Europe

## High-Level Energy Conference

**The impact of the new EU electricity market design: how will the different pieces of the puzzle fit together?**

6 December 2016, 9:00 to 13:00, Egmont Palace, Brussels

#ETseries2016

Many thanks to our

Key Sponsor of the 2016 series



Bronze Sponsor of the Conference

**EPEX**SPOT

and to all supporters, speakers and participants

# New electricity market design: How will the different pieces of the puzzle fit together?

Juan José Alba Rios

Chairman of EURELECTRIC Markets Committee

EDGMONT Conference  
*Brussels, 6 December 2016*



# eurelectric

**ELECTRICITY FOR EUROPE**

The Union of the Electricity Industry - EURELECTRIC is the sector association which represents the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents. We currently have over 30 full members, representing the electricity industry in 32 European countries.

 [www.eurelectric.org](http://www.eurelectric.org)

 [www.twitter.com/eurelectric](https://www.twitter.com/eurelectric)

 [www.linkedin.com/company/eurelectric](https://www.linkedin.com/company/eurelectric)

 [www.youtube.com/user/eurelectric](https://www.youtube.com/user/eurelectric)

COMPANIES

3500

800,000  
EMPLOYEES

3 5 0 0

TWh/  
annum

GENERATION

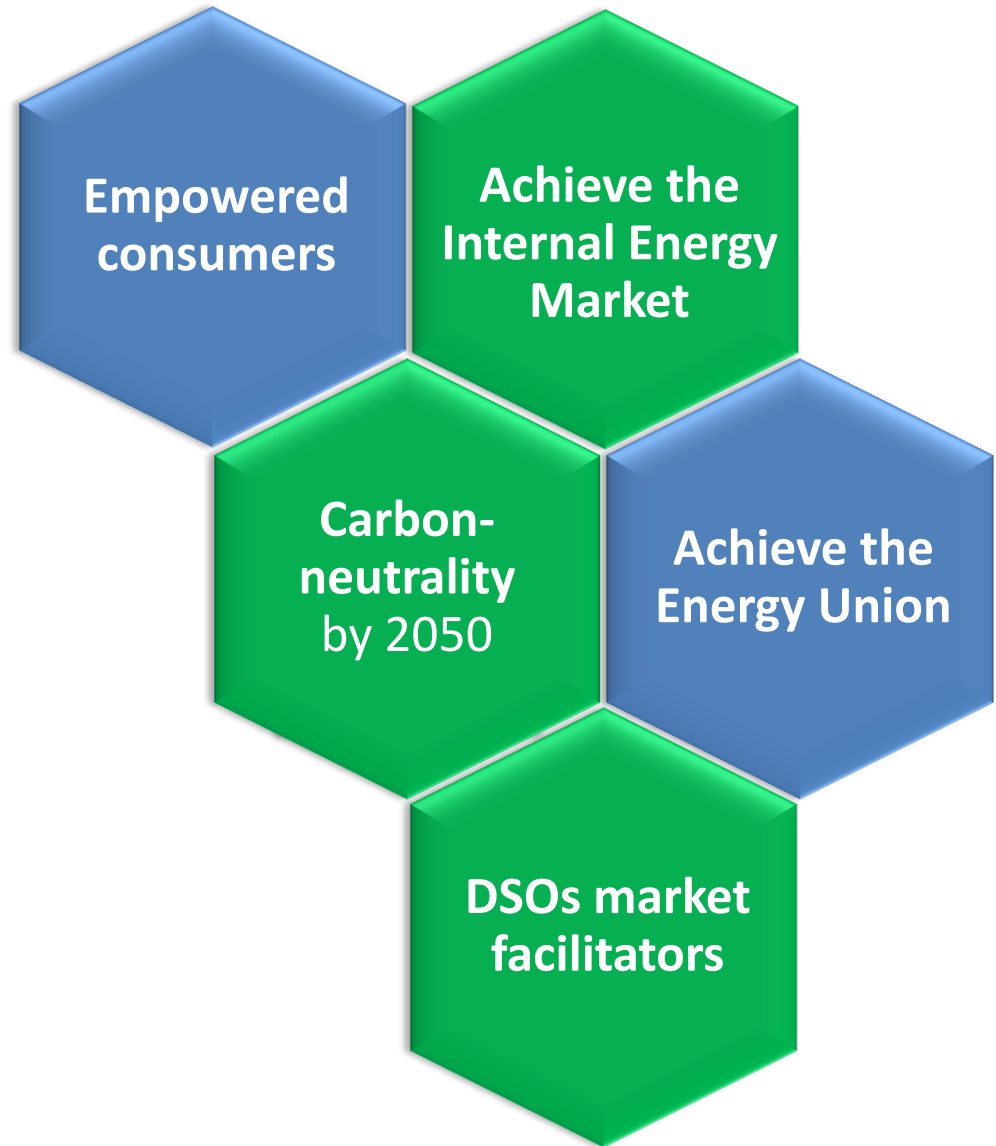
DISTRIBUTION

COMPANIES

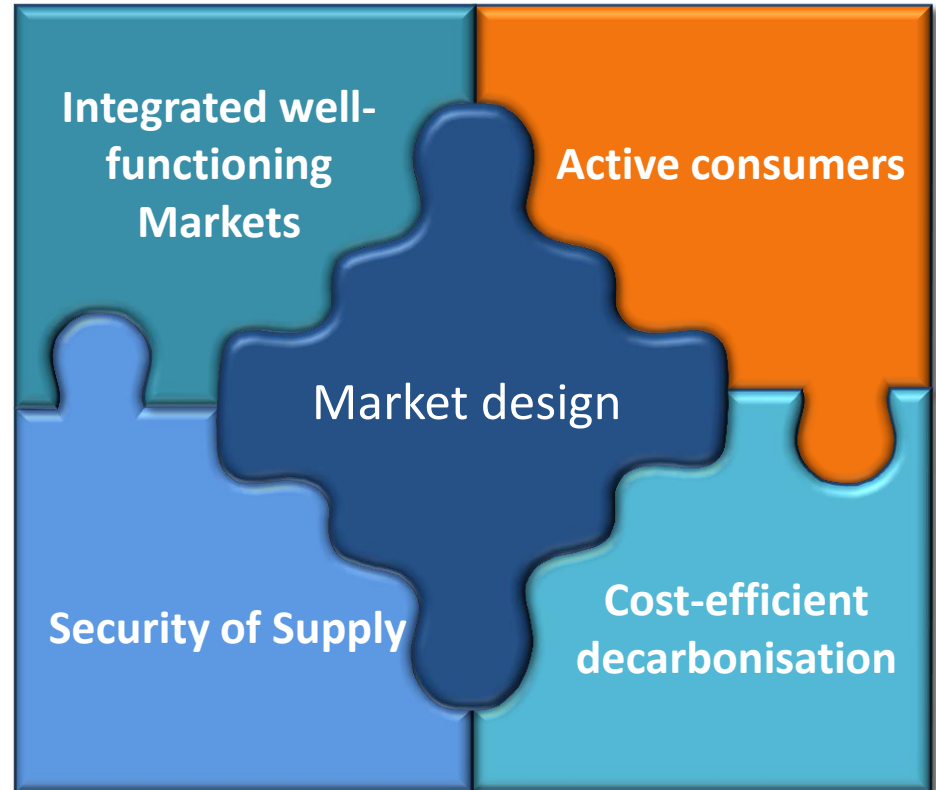
2400

200,000,000  
CUSTOMERS

# OUR PRIORITIES

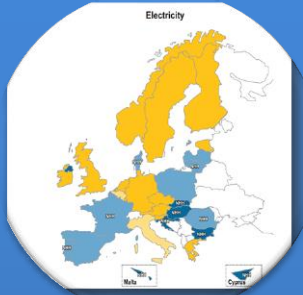


## SO, ARE WE GETTING THE PUZZLE RIGHT?



# CONSUMERS IN COMMAND: CRITICAL ENABLERS

Active consumers



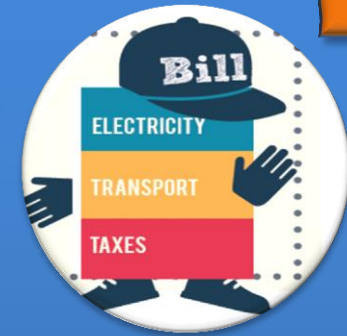
**LIBERALIZE  
RETAIL PRICES  
REMOVE  
BARRIERS TO  
DYNAMIC OFFERS**



**SMART METER  
ROLL-OUT**



**SOUND  
REGULATORY  
FRAMEWORK  
FOR DATA  
MANAGEMENT**



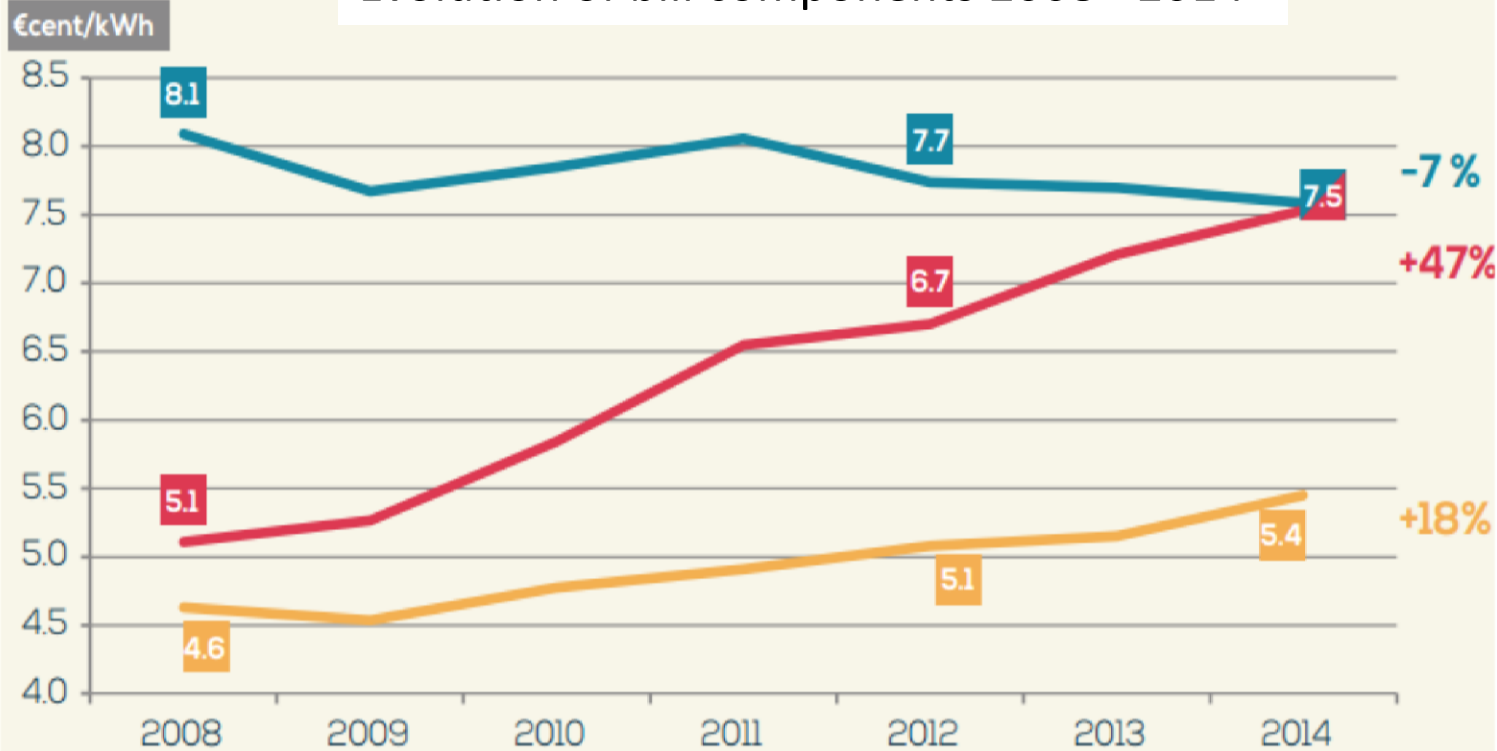
**EFFICIENT RETAIL  
PRICING  
STRUCTURES**



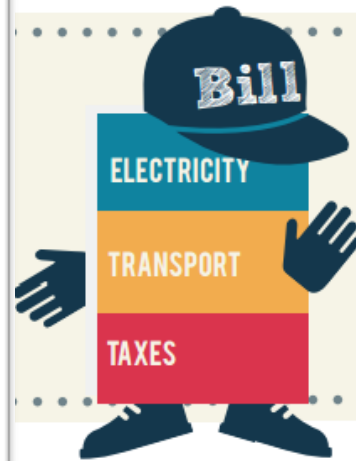
# REDUCE THE SHARE OF TAXES & POLICY COSTS

Active consumers

Evolution of bill components 2008 - 2014



Source: EURELECTRIC, 2016



Integrated well-  
functioning  
markets

## THE MARKET MUST VALUE 3 ELEMENTS

### ENERGY

KWh

Forward, day-ahead,  
intraday markets

### FLEXIBILITY

Adjustment to  
short-term  
variations

Day-ahead, intraday,  
balancing markets,  
ancillary services

### CAPACITY

Firm capacity for  
security of supply

Market-based capacity  
mechanisms where  
relevant



Integrated well-  
functioning  
markets

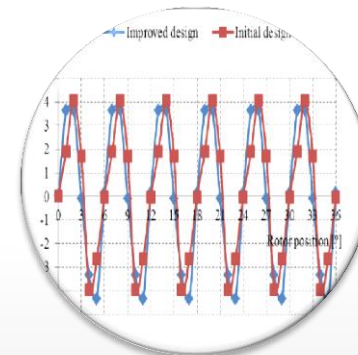
## EUROPEAN MARKET INTEGRATION: GETTING THERE



**Integrated  
forward,  
intraday, day-  
ahead markets**



**Efficient  
balancing and  
ancillary  
services  
markets**



**Improved  
design of  
balancing and  
intraday  
markets**

**A MARKET FIT FOR RES**

# RES FIT FOR THE MARKET



Strengthen the EU-ETS



Right to self consume and excess energy  
valued at a fair market price



Integrate RES in the market: balance  
responsibility and market-based dispatch



Market-based and cost-efficient RES  
support

## EUROPEAN ADEQUACY ASSESSMENTS

Security  
of Supply



MS define security  
of supply targets

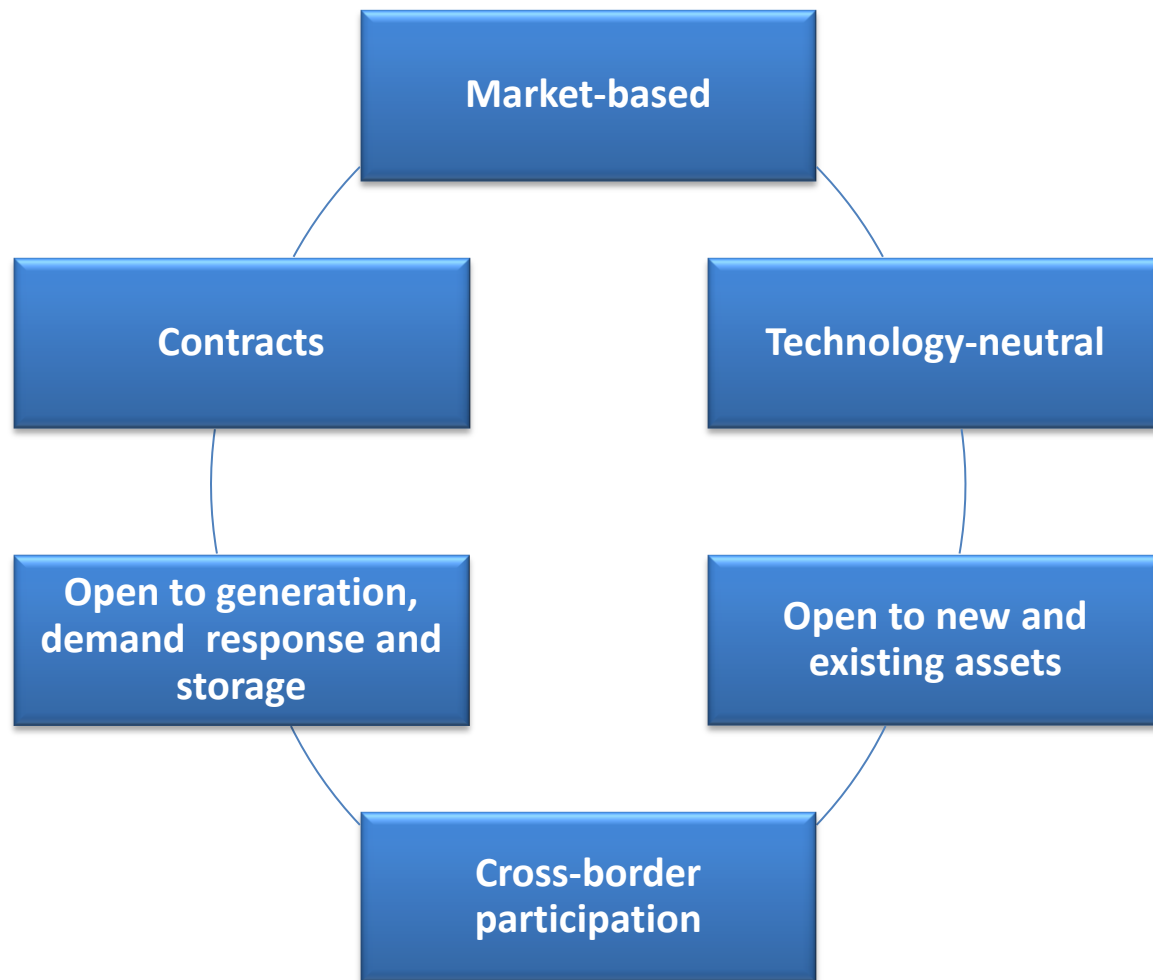
Adequacy  
assessments at  
regional level

Sound and  
transparent  
methodology

Taken into account  
when introducing  
capacity  
mechanisms

Security  
of Supply

## ENSURING SECURITY OF SUPPLY IN A COST-EFFICIENT WAY KEY DESIGN FEATURES OF CAPACITY MECHANISMS





**Thanks for your attention!**



[www.eurelectric.org](http://www.eurelectric.org)



[www.twitter.com/eurelectric](https://www.twitter.com/eurelectric)



[www.linkedin.com/company/eurelectric](https://www.linkedin.com/company/eurelectric)



[www.youtube.com/user/eurelectric](https://www.youtube.com/user/eurelectric)

Energy Transition: A Multifaceted Challenge for Europe

## High-Level Energy Conference

**The impact of the new EU electricity market design: how will the different pieces of the puzzle fit together?**

6 December 2016, 9:00 to 13:00, Egmont Palace, Brussels

**#ETseries2016**

Many thanks to our

Key Sponsor of the 2016 series



Bronze Sponsor of the Conference

**EPEX**SPOT

and to all supporters, speakers and participants