



Stakeholder Consultation
**“Challenges for RES-E deployment in the
European electricity market”**
&
Expert Workshop
**“Assessment of options for the design of
pending electricity market developments in
the IEM”**

21st April 2015

Brussels

Venue: Silken Berlaymont, Blvd Charlemagne 11/19, 1000 Brussels

INVITATION & AGENDA



Co-funded by the Intelligent Energy Europe
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INVITATION to the STAKEHOLDER CONSULTATION “Challenges for RES-E deployment in the European electricity market” and the EXPERT WORKSHOP “Assessment of design options for pending electricity market developments”

Special focus of the Stakeholder Consultation will be on the implementation status and the **market-focused diagnoses of the European Target Model**. This will be underpinned by **empirical analyses in selected European market regions** (Nordel region, CWE region and Iberian region) emphasising the challenges in the very short-term, short-term and long-term electricity markets in Europe with high shares of RES-E penetration, which we would like to discuss with you. In detail this means that several findings of the written consultation process during WP2 (investigating the regulatory status of the Target Model) are discussed within this event to reach a common understanding among several experts. The outcomes of this discussions and conclusions will be fed into the further work.

In the last decade, the European electricity market has been gradually developed. Although many achievements can be mentioned there are still many challenges ahead having to be solved to meet the EU policy goals up to 2020 and beyond.

Besides the continuous further development of the electricity markets in the different European countries also continuously increasing shares of RES-E generation technologies have been achieved.

In the recent past, however, lacks of currently implemented electricity market designs in the developing context and distortions in system operation created by them have become apparent.

Some major problems of current markets follow:

- Partly negative wholesale electricity market prices
- Significantly reduced operation time of thermal power plans
- Interdependences with and adverse effect on the heat market in case of CHP-plants
- Lack of future investments into firm generation capacity
- Insufficient development of transmission grids required
- Possible lack of flexibility in the system to absorb changes in power production from intermittent RES generation

Changes are to be made to the design of currently existing markets with the aim to overcome the above-mentioned problems. Thus, following the stakeholder consultation event, we have organised a special expert workshop where we would like to further discuss with you, experts in the field, **possible market design options** for future market developments and the assessment of these options. This should allow us to keep up to date with latest developments concerning solutions implemented to the main problems of the functioning of existing markets. Attendees will be encouraged to contribute to live discussions organized on the strong and weak points of design options identified for market



developments to be implemented. Besides, you will also be able to provide feedback on the assessment of design options explored using forms that will be made available to attendees.

Market developments to be discussed should concern both long term and short term markets. A list of most relevant pending market design issues that we would like to focus on, follows:

Long-term electricity market

- Possible use and design of Capacity Remuneration Mechanisms (CRMs)
- Long term support payments to RES generation
- Participation of demand in long term markets
- Long term cross-border products

Short, and very short, term electricity market

- Evolution of the network model considered in short term markets
- Timing of short term markets
- Bidding protocols and pricing
- Balancing market evolution
- Short term support payments to RES generation
- Participation of demand in short term markets

We would like to invite you to this special Market4RES stakeholder consultation event and expert workshop, to be held on **April, 21st 2015** in **Brussels**. We would very much appreciate it if you could contribute your expertise and knowledge. Please confirm your participation by filling in the registration form on the website www.market4res.eu.

Looking forward to seeing you soon!

The Market4RES Team



AGENDA

9:30-10:00	<i>Welcome coffee</i>
10:00	<p><u>Welcome from the Project Coordinator</u> Andrei Morch, Sintef</p> <p>Introduction to Stakeholder Consultation Event “Challenges for RES-E deployment in the European electricity market”</p> <p><u>Implementation status and market-focused diagnoses of the European Target Model</u> Luis Olmos, IIT-Comillas</p> <p><u>Outline of the empirical case study analyses emphasising the challenges in the very short-term, short-term and long-term electricity markets in Europe</u> Tiffany Chow, 3E</p> <p><u>Brief Discussion</u> All Participants</p>
11:15-11:45	<i>Coffee break</i>
11:45	<p>Introduction to the Expert Workshop on the “Assessment of options for the design of pending market developments”</p> <p><u>Objectives and methodology for the assessment of market design options</u> Luis Olmos, IIT-Comillas</p> <p><u>Market design options defined so far and assessment criteria considered</u> Pablo Rodilla, IIT-Comillas</p> <p><u>Brief Discussion</u> All Participants</p> <p><u>Outline of major issues to be addressed in the working group session on the assessment of market design options</u> Luis Olmos, IIT-Comillas</p>
13:00-13:45	<i>Lunch</i>



<p>13:45- 15:15</p>	<p>Parallel Working Group discussion of market design options</p> <p><u>Parallel Working Groups – each working group shall discuss main pending market developments related to a certain time frame (long, short, or very short term) as far as the supply of main required products (adequacy, clean energy, and flexibility) is concerned</u></p> <p>All Participants</p>
<p>15:15 – 15:30</p>	<p><i>Coffee break</i></p>
<p>15:30- 17:15</p>	<p>General Discussion on the choice of most efficient design options for market developments,</p> <p><u>Conclusions on the selection of most efficient design options by Working Groups</u></p> <p>Representative of Each Working Group</p> <p><u>General Discussion on the market developments to implement and their optimal design</u></p> <p>All Participants</p> <p><u>Summary, Concluding Remarks</u></p> <p>Pablo Rodilla, IIT-Comillas</p>
<p>17:15</p>	<p><i>End of stakeholder consultation & Expert Workshop</i></p>



VENUE

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