

28th Florence Forum – draft agenda

4-5 June 2015

Convitto della Calza, Florence

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Day 1 (Thursday, 4th June, 14:15 – 19:00)

1. Introductory remarks [14:15 – 14:45]

- Chair, **European Commission**
- Representative of the **Autorità per l'energia elettrica il gas e il sistema idrico** [TBC]

2. Internal Energy Market: implementation of and compliance with the Third Energy Package

2.1. Electricity network codes and guidelines: what has been done - what is missing? [14:45-16:00]

- Update on the status of development and adoption of network codes and guidelines

Presentation by EC

Reactions by ACER/ENTSO-E

Stakeholder feedback and open discussion

Key questions for discussion:

1. *Once adopted, what are the main challenges concerning the implementation of network codes and guidelines?*
2. *What other significant areas are not covered yet by network codes/guidelines?*
3. *In your view, is the process for the development of network codes and guidelines fit for purpose in the future? If any, what elements of such process should be revisited?*
4. *Are there any positive elements that can be brought forward from the gas network codes development?*

- Coffee break [16:00-16:30] -

2.2. Update on (early) implementation projects (forward, day-ahead, intraday) [16:30-18:00]

- (Early) implementation of CACM:
 - *Outline of the implementation process of CACM* [EC]
 - *Progress in the establishment of stakeholder committees* [ACER – ENTSO-E]
 - *Update on the state of play of day-head market coupling* [ENTSO-E – EUROPEX / ACER]
 - *Early implementation of intraday market coupling - State of Play* [ENTSO-E – EUROPEX/ ACER]
 - *Implementation of flow-based capacity calculation* [ENTSO-E – ACER]
- Early Implementation of Forward Capacity Allocation Regulation:
 - *Single allocation platform* [ENTSO-E, ACER]
 - *Long term harmonised allocation rules* [ENTSO-E, ACER]

- *Hedging opportunities developing in the European financial markets* [ENTSO-E – EUROPEX/ACER]
- Overview and assessment of the draft electricity balancing code [ACER, ENTSO-E] and of electricity balancing pilot projects [ENTSO-E, ACER]

Stakeholder feedback and open discussion

Key questions for discussion:

5. *What are the main obstacles in the implementation of the CACM Regulation (e.g., definition of capacity calculation regions)? How can these be tackled?*
6. *What can be done to provide for the smooth implementation of the agreed European intraday platform? How can consistency be ensured with local implementation projects?*
7. *Beyond the balancing network code, on what elements would we need more harmonisation to allow for an effective cross-border balancing market to develop?*

2.3. Update on enforcement of the Third Energy Package [18:00-19:00]

Presentation by EC

Presentation by the Energy Community

Stakeholder feedback and open discussion

Key questions for discussion:

8. *What should the key priorities be for implementation and enforcement of existing EU energy legislation?*

Day 2 (Friday, 5th June, 9:00 – 17:30)

3. Electricity market design ongoing initiatives

3.1 Challenges to market operation and integration of renewables [9:00-10:00]

- Tackling existing market distortions (price caps in wholesale and retail markets, market exit barriers, diverging network charges for generators...)
- Making the market fit for facilitating the integration of renewables
 - Presentation by EC
 - Presentation by EURELECTRIC

Reactions by ACER/ENTSO-E

Stakeholder feedback and open discussion

Key questions for discussion:

9. *What market distortions should be addressed as a priority? How?*
10. *What are the major obstacles for full integration of renewable energy generators into the wholesale market? How can these be tackled?*
11. *How can regional convergence and cooperation in support schemes be further promoted? What would be the advantages or disadvantages of shifting towards support mechanisms for renewables focused on investment aid instead of operating aid?*

3.2 The flexibility challenge [10:00 – 11:00]

- Flexibility as key element of a future market design & making the most of demand-side response [EC, EFET]
- Deployment of electricity storage [EASE]

Reactions by ACER/ENTSO-E

Stakeholder feedback and open discussion

Key questions for discussion:

12. *What are the stakeholders' views of the current draft electricity balancing code? To what extent can future flexibility challenges be addressed through this tool?*
13. *How can small and large consumers be encouraged to be more active in providing and benefitting from flexibility? What market barriers prevent demand participation?*
14. *What should be the roles of and the relationships between TSOs, DSOs and other existing or new players as regards flexibility?*
15. *What role can electricity storage play in delivering flexibility to the market? What are the shortcomings?*
16. *What else needs to be done in order to ensure flexibility can be provided within the market?*

– Coffee break [11:00-11:30] -

3.3 Restoring proper investment signals in the power system [11:30 – 13:30]

- *Current and future challenges regarding generation and system adequacy*
 - *Addressing diverging national interventions on capacity remuneration mechanisms and the participation of cross border capacity.*
- Baake and Pentalateral Declarations [Representatives from the Belgian & German Ministries]

- ENTSO-E's methodology for adequacy assessment [ENTSO-E]
- Capacity remuneration mechanisms and impact in the Internal Energy Market [Pöyry]
- State aid sector inquiry into capacity mechanisms [EC]

Reactions by ACER/ENTSO-E

Stakeholder feedback and open discussion

Key questions for discussion:

17. *What can be done to ensure that Member States rely on resources outside their borders as a contribution to their security of supply?*
18. *What would be the added value and the challenges arising from a common assessment of generation adequacy at regional and/or at Union level?*
19. *How can adequacy assessments and their results provide a basis for a decision on the need for CRMs? How can it be ensured that CRMs, if needed, are the most competitive and least distortive for the market? What features of CRMs could be made common at regional and/or at Union level?*

- Lunch break [13:30 -14:30] -

3.4 Strengthening the secure system operation at regional level [14:30-16:30]

- A vision for the future of regional security coordination initiatives (RSCIs)
- The roll-out of RSCIs

Presentation by EC

Presentation by EURELECTRIC

Reactions by ACER/ENTSO-E

Stakeholder feedback and open discussion

Key questions for discussion:

20. *Compared to the current situation, what additional competences could RSCIs have in the future? What can be done to strengthen the role of RSCIs? What would be the gains and the shortcomings?*
21. *What instruments would be best for strengthening the role of RSCIs? Within what timeframe do you see this happening?*
22. *Looking beyond, do you see a need for a wider integration of system operation at European level in the long term to cope with the challenges of a low-carbon energy mix?*

- Cocktail [16:30-17:00] -

4. Conclusions [17:00-17:30]