

CEER Online Specialised Training on Electricity Market Design and Implementation of the Clean Energy Package

21-23 September 2020

Online Classes:

14:00-17:00 (CEST) on 21 September 2020

14:00-17:00 (CEST) on 22 September 2020

14:00-17:00 (CEST) on 23 September 2020

COURSE PROGRAMME

Level B: Specialised Course

The "Clean Energy for All Europeans" Package (CEP) which was adopted in July 2019 aims to introduce an improved electricity market design in Europe. Since 1 January 2020, all provisions of the new Electricity Regulation (EU) 2019/943 have started to be applicable to the electricity markets and the provisions of the new Electricity Directive (EU) 2019/944 are on their way to be transposed into the national laws at the latest by 31 December 2020. Despite the early preparations, National Regulatory Authorities (NRAs) still face numerous challenges in implementing the new legislative package. Some open issues still have to be solved and common understandings and approaches still have to be developed.

This tailor-made CEER's online training programme is designed for experts from NRAs with general background or previous experience in the electricity markets who would like to improve or update their knowledge and expertise in order to succeed with the implementation phase of the Clean Energy Package and the related electricity market design challenges.

The programme will cover the general principles and the challenges of the electricity market design in Europe. It will introduce the participants the main changes regarding electricity market design introduced by the Clean Energy Package, covering network access and congestion management, capacity allocation, bidding zone assessment, resource adequacy, capacity mechanisms and regional security coordination. Experiences and challenges in the implementation of these focal topics of electricity market design in the Clean Energy Package will be presented. During this CEER's online specialised course, participants will be able to learn and participate in the lively discussions on the processes, obstacles, best practices, case studies and lessons learned from the implementation phase and on the future challenges.

The online classes will count on an exclusive and balanced combination of trainers - whose daily activities focus on the electricity market design and the Clean Energy Package - in order to train participants at best. Interesting discussions with colleagues from ENTSO-E and CORESO, a historical Regional Security Coordinator in Brussels, will complement the programme.

Online Class 1, 14:00-17:00 (CEST) 21 September 2020

14:00-14:15 Opening remarks, round-table introduction of the participants and introduction of the programme and the online format.

- **Mr Alain Marien, CREG, Future Policy Work Stream Co-Chair, Course Director**
- **Ms Anh Tran, CEER Training Manager**

SESSION 1 GENERAL PRINCIPLES OF ELECTRICITY MARKET DESIGN AND APPLICATION TO EUROPE

According to Prof. Dr. Peter Cramton, Professor of Economics at the University of Cologne and the University of Maryland, in one of his research papers on electricity market design, it is indicated that “in broadest terms, regulators seek a market design that provides reliable electricity at least cost to consumers”. This can be broken down into two key objectives: the short-run efficiency - making the best use of existing resources and the long-run efficiency - ensuring the market provides the proper incentives for efficient long-run investment. What are the general principles of electricity market design in Europe? Is the EU target model delivering the two main objectives of a good market design? What are the difficulties in the implementation of the target model in Europe? This session will provide an academic overview of the general principles and challenges in the implementation of the electricity market design in Europe.

14:15-14:45 General principles and challenges in implementing the electricity market design in Europe.

- **Mr Alain Marien, CREG, Future Policy Work Stream Co-Chair, Course Director**

Q&A

SESSION 2 WHAT HAS CHANGED WITH THE CLEAN ENERGY PACKAGE AND ELECTRICITY MARKET DESIGN?

The improved electricity market design introduced by the Clean Energy Package focuses on upgrading short-term markets, increasing EU risk preparedness, promoting a fair deal for consumers and fostering regional cooperation. Regarding the wholesale electricity market, the Clean Energy Package introduced provisions in order to enable more flexibility to accommodate an increasing share of renewable energy in the electricity grid, foster more market-based investments in the sector, while decarbonising the EU energy system and improve planning to anticipate and respond to electricity market crisis situations, including through cross-border cooperation. What are the specific rules and changes to the electricity market design introduced by the Clean Energy Package? This session will focus on the main changes regarding network access and congestion management, capacity allocation, bidding zone assessment, resource adequacy and capacity mechanisms.

14:45-15:15 Overview of the Clean Energy Package and the main changes regarding Electricity Market Design in Europe.

- **Ms Elaine O’Connell, European Commission**

Q&A

15:15-15:30 *Short break*

15:30-16:00 What has changed with the Clean Energy Package regarding Capacity Allocation and Congestion Management?

- a) Bidding zone review and management of congestions (Article 13-14 of the Recast Electricity Regulation)
- b) Development of Action Plans (Article 15 of the Recast Electricity Regulation)
- c) General principles or adoption of detailed terms and conditions or methodologies? (Articles 16 of the Recast Electricity Regulation)

▪ **Mr Nico Schoutteet, CREG, CACM and FCA Task Forces Co-Chair**

Q&A

16:00-16:30 What has changed with the Clean Energy Package regarding Resource Adequacy?

- a) Resource adequacy and capacity mechanism (Article 18 of the Recast Electricity Regulation)
- b) European and national resource adequacy and cross-border participation (Article 19-24 of the Recast Electricity Regulation)

▪ **Ms Mathilde Carbonnelle, European Commission**

Q&A

16:30-17:00 General discussion and wrap up of Online Class 1.

▪ **Mr Alain Marien, CREG, Future Policy Work Stream Co-Chair, Course Director**

- END FIRST DAY -

Online Class 2, 14:00-17:00 (CEST) 22 September 2020

SESSION 3 IMPLEMENTATION OF THE CLEAN ENERGY PACKAGE AND CASE STUDIES

Since 1 January 2020, all provisions of the new Electricity Regulation (EU) 2019/943 have started to be applicable to the electricity markets and the provisions of the new Electricity Directive (EU) 2019/944 are on their way to be transposed into the national laws at the latest by 31 December 2020. The extensive challenges the TSOs and NRAs face are obvious. How are these challenges being handled? What lessons have been learnt so far? In this session, experiences and challenges in the implementation of the focal topics of electricity market design in the Clean Energy Package will be presented. Lively discussions on the processes, obstacles, best practices, case studies and lessons learned from the implementation phase and on the future challenges will be included.

14:00-14:30 Market-based redispatch and inc-dec gaming: The interplay between zonal spot and locational redispatch markets.

- **Prof. Dr. Lion Hirth, Hertie School of Governance**

Q&A

14:30-15:15 Case studies on the implementation of market-based re-dispatching and gaming opportunities, re-dispatching coordination and cost-sharing. Roundtable discussion with the participants.

- **Mr Simon Behrens, BNetzA**
- **Trainers and all the participants.**

15:15-15:30 *Short break*

15:30-16:00 Price distortion, best forecast and virtual copperplate in day-ahead electricity market.

- **Ms Clara Verhelst, CREG**

Q&A

16:00-17:00 Implementation of action plans, derogation processes and compliance assessment and roundtable exchange with the participants.

- a) Case study of the action plan in the Netherlands
- b) Case study of the derogation in Belgium
- c) Roundtable discussion on derogations and action plans

- **Mr Nico Schoutteet, CREG, CACM and FCA Task Forces Co-Chair**
- **Mr Thomas Batavier, ACM**

Q&A

- END SECOND DAY -

Online Class 3, 14:00-17:00 (CEST) 23 September 2020

SESSION 3 IMPLEMENTATION OF THE CLEAN ENERGY PACKAGE AND CASE STUDIES (cont.)

14:00-14:30 Case study on implementing resource adequacy and capacity remuneration mechanisms (CRMs) in Belgium.

- **Mr Andreas Tirez, CREG, ACER Adequacy Task Force Co-Chair**

Q&A

14:30-15:15 Major issues on scarcity pricing according to the Clean Energy Package and case study on implementing scarcity pricing mechanism.

- **Prof. Anthony Papavasiliou, Université Catholique de Louvain**

Q&A

15:15-15:30 *Short break*

15:30-16:45 Roles and challenges for Regional Coordination Centres according to the Clean Energy Package and discussion with colleagues from ENTSO-E and CORESO - a Regional Coordination Centre in Brussels.

- **Mr Jacques Warichet, ENTSO-E**
- **Mr Jean-François Gahungu, CORESO Chief Executive Officer**

Q&A

16:45-17:00 Wrap-up of the course.

- **Mr Alain Marien, CREG, Future Policy Work Stream Co-Chair, Course Director**
- **Ms Anh Tran, CEER Training Manager**

- END THIRD DAY -