

CEER

Council of European
Energy Regulators



Session 2: Wholesale Nodal Pricing

Moderator: Alain Marien, CREG (Belgium)

Speakers:

Prof. Anthony Papavasiliou, Université Catholique de Louvain

Greg White, Executive Director, NARUC

Dermot Nolan, CEO, Ofgem (Great Britain)

Identified shortcomings of the current zonal design

- Non efficient use of the transmission system
- High re-dispatching costs & absence of adequate price signal
- Difficulties (technical and organisational) encountered in the implementation of the different zonal mechanisms
- Complexity of the design for market player
- Discrimination concerns of cross-zonal trade
- Wrong incentives to TSOs, to producers...
- Future challenges linked to the integration of renewables and Distributed Energy Resources

CEER internal deliverable for 2019

- CEER plans to finalise an internal paper on nodal design by the end of 2019, covering the following questions/topics:

1. Can nodal provide an answer to problems observed with the zonal design?



2. Identify nodal design shortcomings and compare them with the zonal design



3. Identify governance aspects of nodal and transition requirements from zonal to nodal.



4. Can zonal and nodal coexist at the same time in Europe?

Topics for discussion

Liquidity
concerns

Complexity
of
calculation

Demand
participation

Integration
of
renewables

Real-time
pricing rule

Governance
issues