

ITRE Public Hearing

Clean Energy for All Europeans

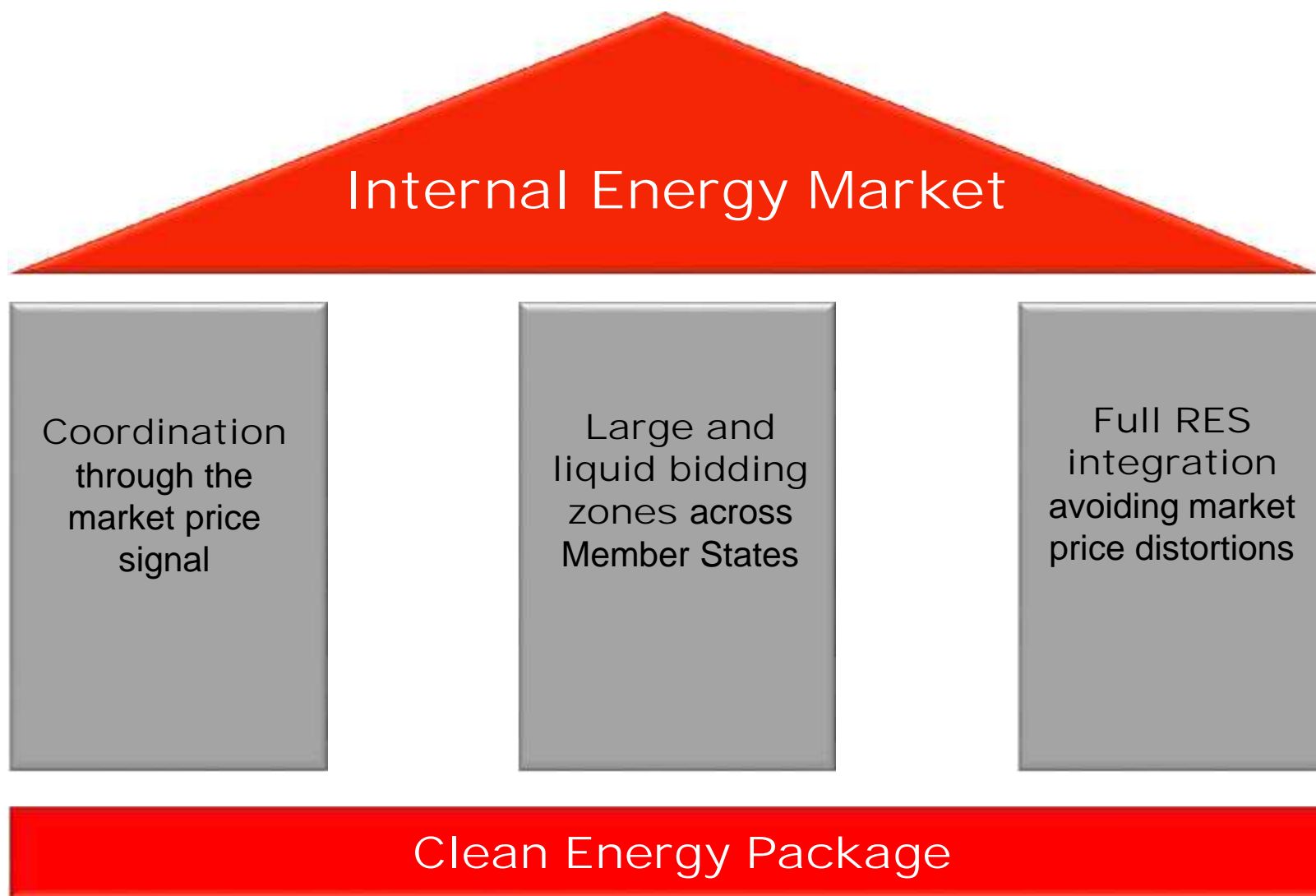
Dr. Tobias Paulun, Chief Strategy Officer

Brussels, 22 March 2017

**connecting
markets**




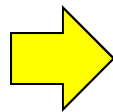
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Clean Energy Package: EEX assessment



Headline area	Relevance	Actual text	Assessment	EEX amendments
Price signals	Prices shall reflect electricity offer and demand. Unnecessary regulated prices distort the market and inhibit new flexibility investments	Art. 4 RED II: Support schemes for RES-E shall be designed so as to avoid unnecessary distortions of electricity markets.		-
Long-term hedging possibilities	Markets already deliver, MS should support existing market-based solutions	Art 8 Reg.: Long-term hedging opportunities shall be traded on exchanges.		-
Bidding zones	Large, liquid and stable bidding zones are necessary to efficiently integrate RES	Art. 13 Reg.: Each bidding zone should be equal to an imbalance price area.		<u>Reverse</u> Art. 13 Reg to.: Each imbalance price area should be equal to a bidding zone.
Capacity mechanisms	A European resource adequacy assessment can reduce the need for Capacity Remuneration Mechanisms (CRM) and by that additional market distortion.	Art. 18 Reg.: The European resource adequacy assessment [...] shall cover the overall adequacy of the electricity system.		CRM should only be last resort / Consider also State Aid Guidelines

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RES market integration across MS	RES market-based support and RES being balancing responsible are important steps towards increased coordination across MS.	Art. 3 Reg.: Prices shall be formed based on demand and supply.		-
TSO coordination	A regional approach towards coordination of TSOs may help to further integrate EU energy markets, but should take into account the subsidiarity principle.			-
Policy coordination	Energy and climate policies should be coordinated but not mixed up in order to ensure efficiency	Example – Art. 23 Reg.: Generation capacity [...] shall only be eligible to participate in a capacity mechanism if its emissions are below 550 gr CO2/kWh.		Delete Art. 23 Reg.

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