

Electricity Market and RES Integration

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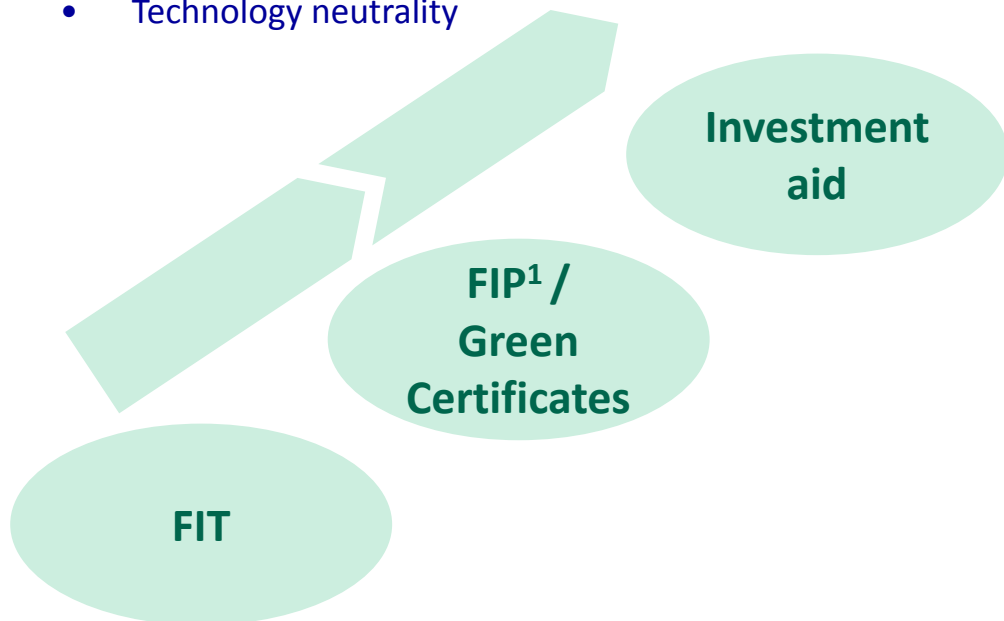
Operational integration of RES is necessary, both in the market and grid aspects

- **Responsibility** of generators for:
 - **Selling** in the market (directly or via aggregators)
 - **Nominating / Scheduling** (towards TSO)
 - **Balancing** (costs of imbalances)
- **Same obligation** for all generators for:
 - **Grid connection / usage** (fees)
 - **Dispatch / Grid access** (no priority)
- **For existing plants there will have to be a transition depending on national circumstances** and incentives/compensation in Member States, full market integration being the objective

A.2. RES remuneration should thus undergo an evolutionary process

Before 2020

- Tendering of support
- Reducing market distortions
- Balancing obligations
- Technology neutrality



After 2020

- **ETS as the main driver** for RES deployment and mature RES in the market
- **Immature technologies with possible support** subject to a dynamic approach to follow technology development

Key messages

A win-win situation must be achieved through a continued growth of RES in the market on the basis of the following measures:

Enhance Market functioning as a **No Regrets option**

- The full execution of an integrated European energy market through Intraday, Day-ahead, balancing to ensure incentives for flexibility including demand response
- More interconnections between national markets
- Removal of wholesale price caps and regulated end-user tariffs and other distortions of wholesale and retail electricity markets

Integrate RES into the market

- Universal balancing requirement as a first step
- Use of market procedures to obtain cost effectiveness for new investments
- Adapt existing support schemes and introduce new mechanisms to minimize market distortion

Complement the Market Design

- CRM, where needed, should be market based, technology neutral, open to existing plants and new investments, equally open to generation, demand and storage
- Regional instead of national approach to CRM
- All CRMs schemes must be open to cross-border participation
- Decentral capacity certificates or central auctions for capacity as preferred schemes