

# ACER report on electricity market design

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Paris Dauphine, 30th of May 2022





# ACER report on electricity market design


In summary, ACER puts forward the following 13 measures for the consideration of policymakers


## 13 measures for the consideration of policymakers, future-proofing the EU wholesale electricity market design





 **1.** Speed up electricity market integration, implementing what is already agreed


 **2.** Improve access to renewable Power Purchase Agreements (PPAs)


 **3.** Improve the efficiency of renewable investment support schemes


 **4.** Stimulate 'market making' to increase liquidity in long-term markets


 **5.** Better integrate forward markets


 **6.** Review (and potentially reduce, if warranted) collateral requirements


 **7.** Preserve the wholesale price signal and remove barriers to demand resources providing flexibility


 **8.** Shield those consumers that need protection the most from price volatility

 **9.** Tackle avoidable supplier bankruptcies, getting the balance right

 **10.** Tackle non-market barriers, ensuring generation and infrastructure is built at pace

 **11.** Consider prudently the need for market interventions in situations of extreme duress; if pursued, consider tackling 'the root causes'

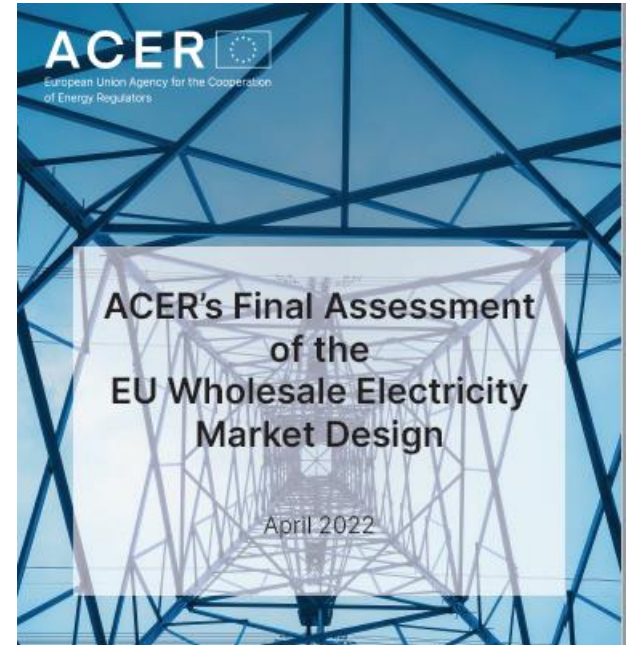
 **12.** Consider public intervention to establish hedging instruments against future price shocks

 **13.** Consider a 'temporary relief valve' for the future when wholesale prices rise unusually rapidly to high levels



### Want to learn more?

Check out the full report on ACER's Final Assessment of the EU Wholesale Electricity Market Design.



# FSR Policy Brief

- A household is said to be fuel poor if it needs to spend more than 10% of its income on fuel to maintain an adequate level of warmth
- Measures have ranged from
  - Reductions in taxes and other levies charged on energy bills (as, for example, in Belgium, Germany, Italy and Spain), to the imposition of price caps or price freezes (as, for example, in France), to lump-sum payments to consumers (as, for example, in Belgium and Great Britain).
  - Taxes on windfall profits were also introduced in some Member States (for example, in Italy and Spain), partly to finance the above-mentioned measures
- Lump-sum payments or rebates preserve incentives to save energy, and could be based on a reference level of consumption
  - to cover the basic energy needs (lighting, heating and basic kitchen appliances) of the consumer; or
  - to cover the standard energy needs (for example using past consumption as a guide) of the consumer.



# Proposal to move to pay-as-bid

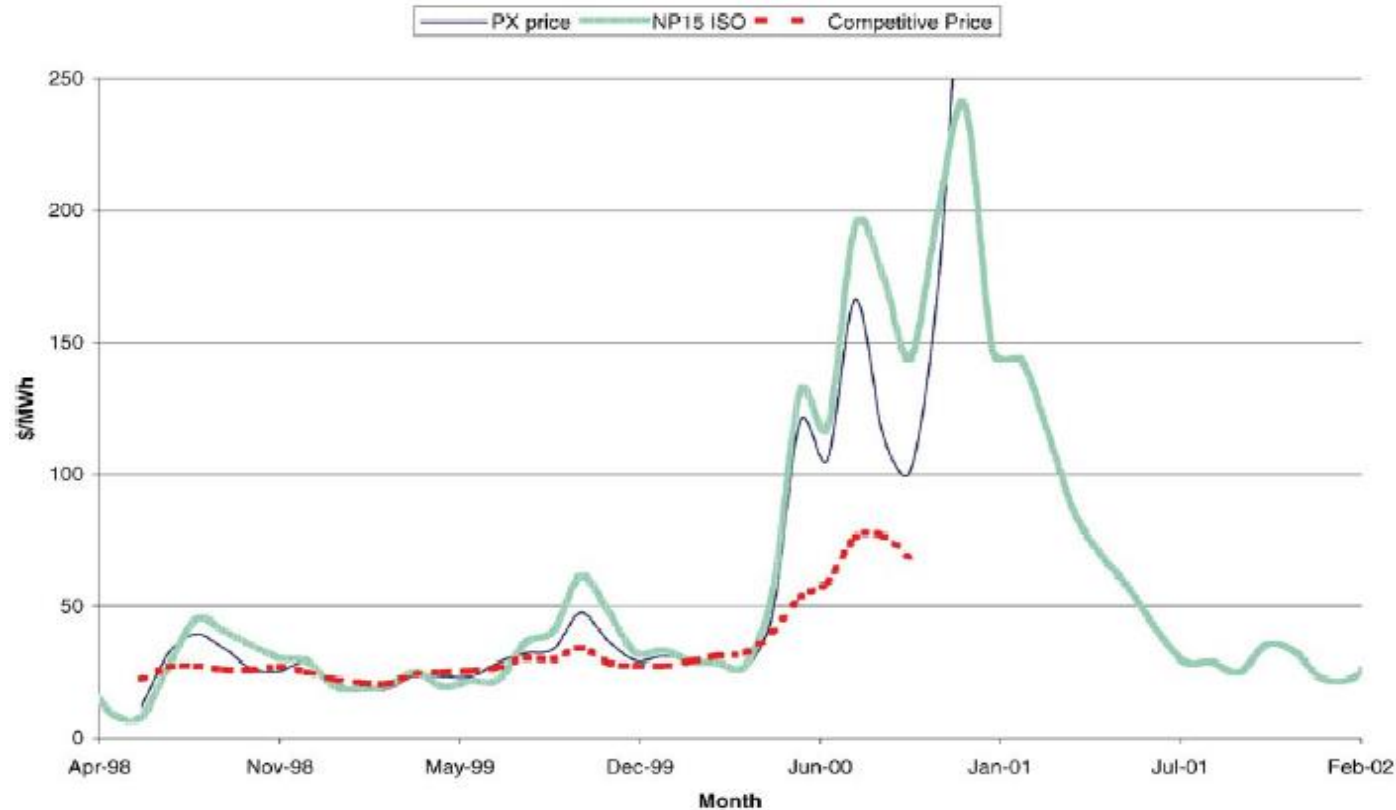


Fig: Borenstein et al. (2002)

## Uniform Pricing or Pay-as-Bid Pricing: A Dilemma for California and Beyond

*Any belief that a shift from uniform to as-bid pricing would provide power purchasers substantial relief from soaring prices is simply mistaken. The immediate consequence of its introduction would be a radical change in bidding behavior that would introduce new inefficiencies, weaken competition in new generation, and impede expansion in capacity.*

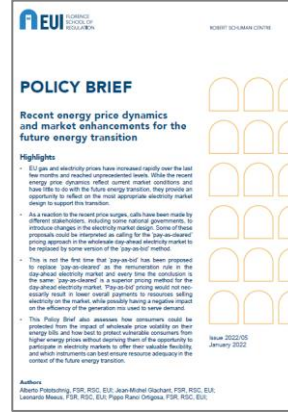
Alfred E. Kahn, Peter C. Cramton, Robert H. Porter, and Richard D. Tabors

- *“Any belief that a shift from uniform to pay-as-bid pricing would provide power purchasers substantial relief from soaring prices is simply mistaken.”*
- *“The immediate consequence of its introduction would be a radical change in bidding behavior that would*
  - *introduce new inefficiencies,*
  - *weaken competition in new generation,*
  - *and impede expansion in capacity.”*

# FSR Policy Brief

## EU crisis 2021-2022

- Mandatory hedging for retailers offering fixed-price contracts
- Revisit paradigm that CRMs are not part of target model: reliability options
- Quality differentiation (“subscriptions”)
  - Market-based load shedding
  - To set level of mandatory hedging by retailers
  - To set level of capacity procured in capacity remuneration mechanisms



## California crisis 2000-2001

- Long-Term Contracting
- Promoting Customer Price Response
- Direct Interventions to Combat Strategic Withholding of Supplies

**Uniform Pricing or Pay-as-Bid Pricing: A Dilemma for California and Beyond**

*Any belief that a shift from uniform to as-bid pricing would provide power purchasers substantial relief from soaring prices is simply mistaken. The immediate consequence of its introduction would be a radical change in bidding behavior that would introduce new inefficiencies, weaken competition in new generation, and impede expansion in capacity.*


Alfred E. Kahn, Peter C. Cramton, Robert H. Porter, and Richard D. Taheri

# Energy communities in the current energy crisis

Idea → **Find ambassadors** → Webinar → MoU & Letter of Intent → Feasibility studies → Regulator file → Active

## Hannut

Projet innovant de communauté d'énergie organisé avec la commune, autour de l'Agence Immobilière Sociale de Hesbaye. Objectif de diminuer la précarité énergétique et de sensibiliser les citoyens et écoles sur le sujet

 <b>Installé</b> 48 kWc	 <b>Doit être installé</b> 367 kWc	 <b>Production potentielle</b> 383 kWc	 <b>Surplus</b> 249 kWc
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Il y a du potentiel pour de nouvelles installations!

Participants:

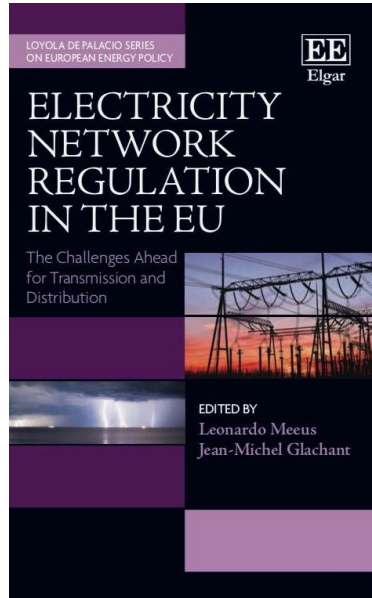
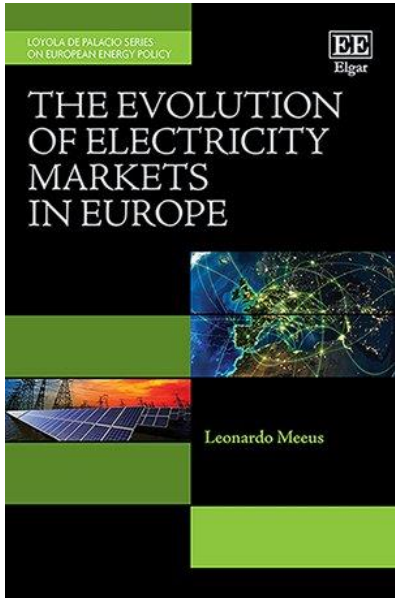


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31 JANUARI 2022

# Tijdelijke contractstop bij burgercoöperatie Ecopower



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