



Training on Electricity System Adequacy and Capacity Mechanisms

14 May 2019 | 09:30 to 17:30

Vienna, Energy Community Secretariat (ECS), Am Hof 4, Level 6

## SCOPE

Ensuring security of supply through a competitive market remains one of the key objectives of the EU and Energy Community. Albeit still at a slower pace than in the EU, the electricity markets in the Contracting Parties are experiencing a period of complex transition. With the rapid increase in intermittent renewable electricity generation and the gradual phase-out of conventional coal (and nuclear) generation, there is a growing concern that energy-only electricity markets will not be able to deliver sufficient generation capacity in the coming years. Currently, most of the Contracting Parties are still faced with the lack of forward trading, no day-ahead hourly signals, no intraday markets, non-efficient use of cross-border capacity and in general lack of market activity. Most of the electricity is traded or transferred between incumbent generator and incumbent supplier outside market platforms keeping the markets concentrated and dominated only by incumbents. Market activity that relates to cross-border trading is mainly short term or up to month/quarter ahead. Such a slow pace of development and the associated uncertainty could keep potential market-based investments away, therefore an incentivising mechanism for investments generation may need to be deployed. While the urge for energy-only market remains the driving objective, many countries in the EU have already developed mechanisms that address the perceived draw-backs of the energy-only markets in attracting investments in electricity production. A consultancy project of the Energy Community Secretariat looks into to which extent adequacy issues could and should be addressed through national or a regional mechanisms in line with State aid law and the Large Combustion Plants Directive and Industrial Emissions Directive, which go beyond energy-only market. The energy-only market fully integrated remains the target also for the Contracting Parties, the national regulatory authorities should have full understanding of the capacity mechanisms applied in the EU and their impact on the electricity market.







**Target group:** Electricity experts of national energy regulatory authorities and specifically experts involved in electricity market design, security of supply, system adequacy and grid planning.

**Meeting material:** Final Report of the Sector Inquiry on Capacity Mechanisms, European Commission, 30.11.2016. ENTSO-E Winter and Summer Outlook Reports; Scenario Outlook and Adequacy Forecast Reports. Material presented at the 'Analyses on system adequacy and capacity mechanisms workshop' from 8 April 2019 at ECS, etc.

**Requirements and credits:** Basic understanding of the meeting material is required. Reimbursement is subject to provision of a short analysis by the participant that puts the knowledge gained from the training course and material in context with related potentials and challenges for Contracting Parties in ensuring security of supply through competitive regional market and/or capacity mechanisms to incentivise investments. Such assessments are to be submitted maximum one week after the course. Participants are free to choose the format (MS Power Point or MS Word) but should not exceed 8 slides or 2 pages. The best filing will be awarded an extra reimbursed ticket at one the next Regulatory School courses of choice.

# AGENDA

## INTRODUCTION

09:30 – 09:45 <b>Opening</b>	Nina Grall Energy Community Secretariat
09:45 – 10:15 <b>Overview of Capacity Mechanisms</b>	Dirk Buschle Deputy Director/Legal Counsel, Energy Community Secretariat
10:15 – 11:00 <b>Framework around Capacity Mechanisms</b>	Arben Killokoqi ECRB Electricity Expert, Energy Community Secretariat
11:00 – 11:40 <b>State aid rules: what is allowed and what is not!</b>	Dr Marie-Therese Richter-Kuhnert Energy Lawyer, Energy Community Secretariat
11:40 – 12:00 <b>'Bring the coffee in' and Q&amp;A</b>	
12:00 – 12:50 <b>Case study: UK capacity mechanism</b>	Andreas Gunst Solicitor, England & Wales Partner, DLA PIPER
12:50 – 13:30 <b>Lunch break</b>	
13:30 – 14:30 <b>Case study: Irish capacity mechanism</b>	Thomas Quinn Senior Analyst, Wholesale Electricity Markets, CRU
14:30 – 15:30 <b>Adequacy assessment in the WB6</b>	Yves Le Thieis Senior Economist, Compass Lexecon
15:30 – 16:00 <b>ENTSO-E adequacy assessment</b>	Alban Joyeau Adequacy Manager, ENTSO-E
16:00 – 16:20 <b>'Bring the coffee in' and Q&amp;A</b>	
16:20 – 16:50 <b>Capacity vs. energy only markets: arguments and counterarguments</b>	Jasmina Trhulj, Head of Electricity Unit, Arben Killokoqi, ECRB Electricity Expert, Energy Community Secretariat
16:50 – 17:10 <b>Discussion, views and Q&amp;A</b>	
17:10 – 17:20 <b>Homework!</b>	
17:20 – 17:30 <b>Feedback on the course</b>	
<b>Wrap-up</b>	