

# The electricity market 4D future

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# ENTSO-E: 42 TSOs operating one of the world's largest interconnected grids

42 TSOs in 35 countries

500 million citizens served

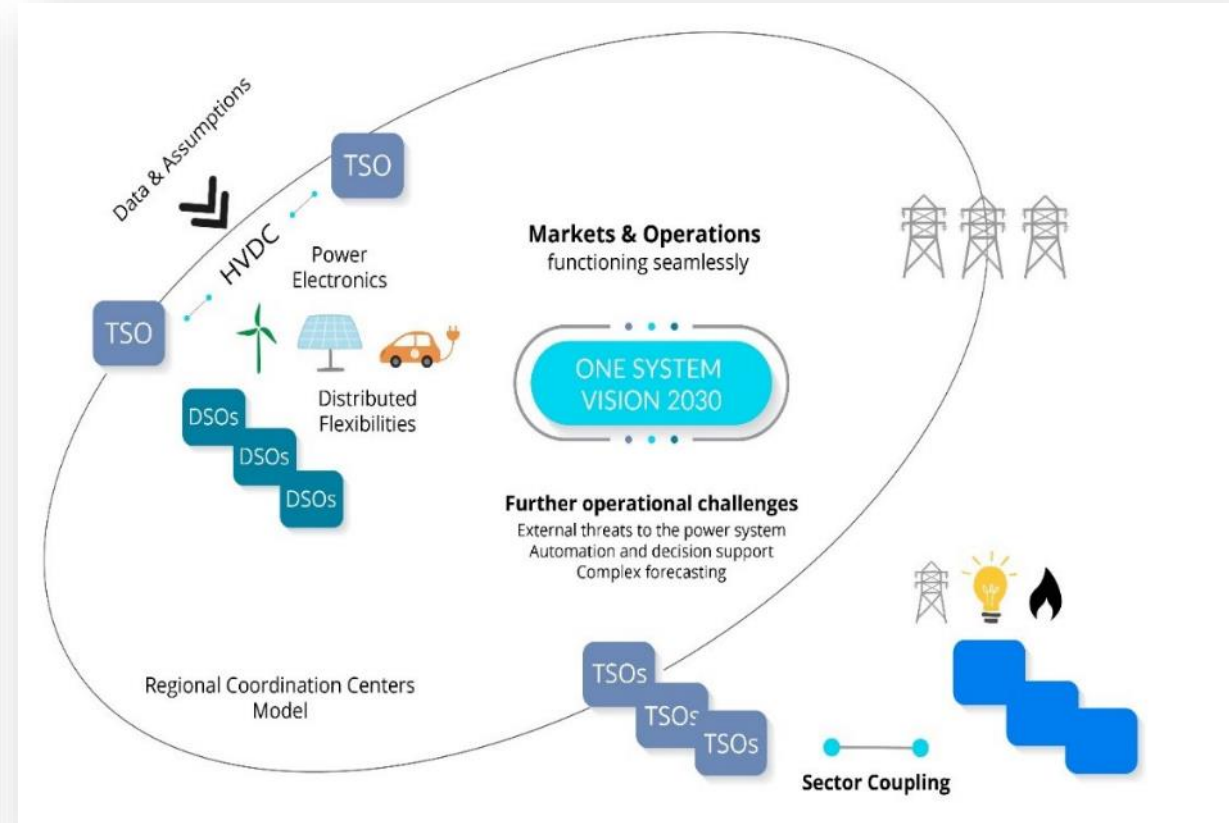
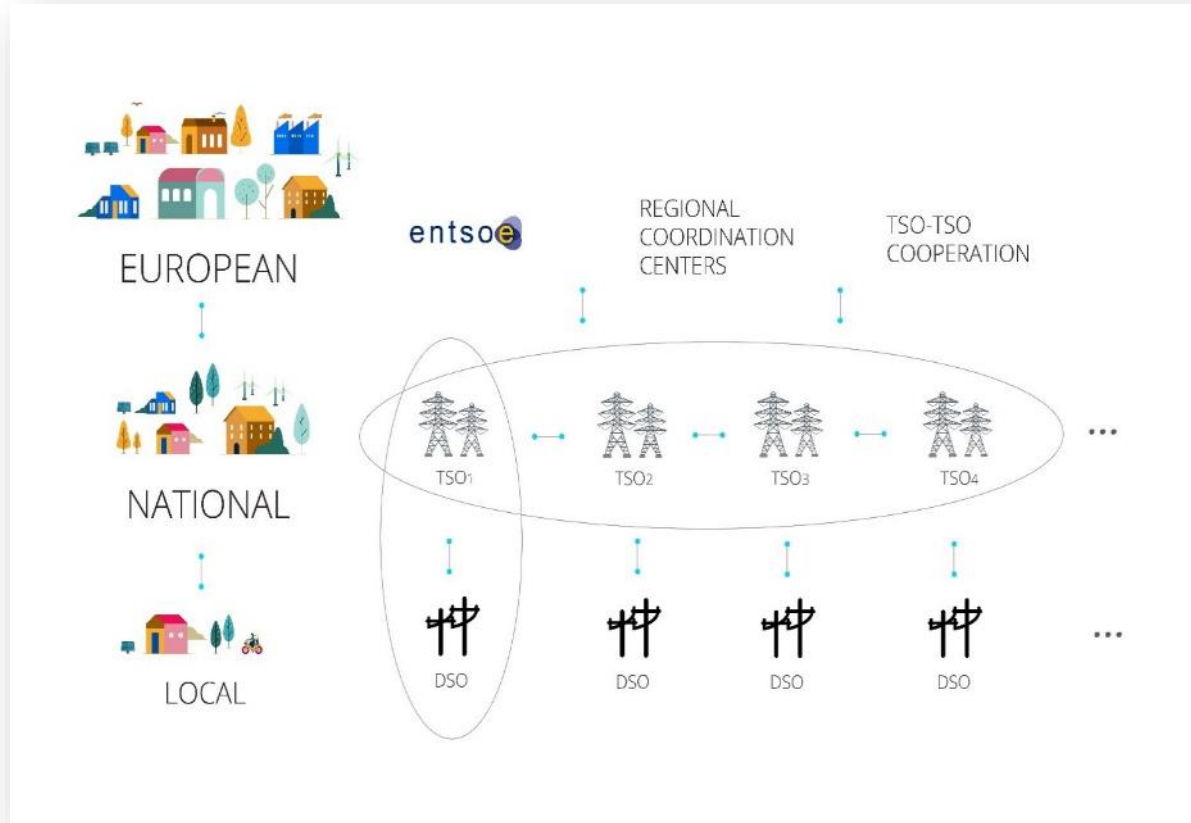
480 000 km of transmission lines

467 102 GWh of electricity exchanges in 2018

- Regional, European & global cooperation of both EU and non-EU members
- Long-term grid planning
- Security of supply analysis
- Technical/market rules
- European platforms
- Standardisation & Research



# ENTSO-E Vision 2030 – Building a system of systems

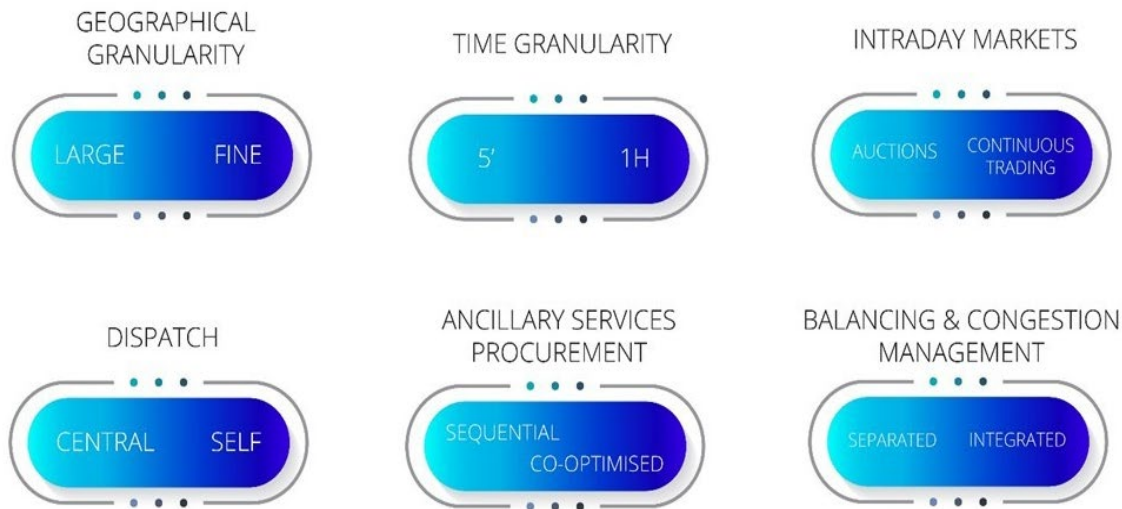


- Different geographical scales
- Multilateral interfaces
- Interoperability

- System operators = key facilitators
- Governance involving stakeholders
- Putting **consumers** at the heart of the Energy Transition

# Market Design 2030 options & recommendations

## No one-size-fits-all: Options



*\* Examples of market design options for short term markets and congestion management*

## Recommendations

- No need of radical market design change, focus on **CEP implementation first**
- Markets fit for RES: enhance **short-term markets** to allow **trading closer to real-time**
- **RES fit for Markets:** full balance responsibility and RES exposure to price signals
- Include **stronger locational signals** and increase the locational visibility of resources
- **Long term investment signals** to ensure resource adequacy & stronger price signals for flexibility
- **Fit-for-purpose solutions & dynamic regulation** may be needed to avoid constraining innovation

# Reaping the benefits of market integration in South East Europe

Some key milestones for electricity market integration:

## ➤ **Bulgaria-Greece Market Coupling Project Go-Live:**

- Launch of the market coupling operations of the Bulgarian Bidding Zone in SDAC (Multi Regional Coupling) on **11<sup>th</sup> May 2021**.

## ➤ **Pilot project between Bulgaria-North Macedonia**

- Restart of project work in Q4/2020;
- Go live of Day-Ahead Market Coupling expected in Q3/2022.

➤ *Stronger political and regulatory cooperation and support at national, regional and European level needed to maximize the benefits of market integration in South East Europe and to advance successfully the on-going pilot projects*

A background of a network graph with nodes and connecting lines, rendered in a light blue color, covering the left side of the image.

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# Back-up

# 2030 Market Design: Key Takeaways from ENTSO-E Stakeholder Consultation



- ❖ **Day-ahead, intraday and balancing markets need to better facilitate participation of RES, DSR, storage. TSO-DSO coordination** will be key to enable efficient use of distributed flexibilities for congestion management and ancillary services
- ❖ **Zonal market design needs improvements** to cope with increasing congestions but **nodal models are not suited for Europe**. More locational information in balancing may suit some countries.
- ❖ **RES Supports to be progressively phased out** and replaced by strong carbon pricing, PPAs and Guarantees of Origins. In the meantime, **2-sided CfDs** and **Investment-based supports** are considered most suitable and less distortive.
- ❖ **Majority** of respondents believes **energy only markets need to be complemented by strategic reserves or capacity mechanisms**. Scarcity Pricing can be useful for flexibility but not enough to stimulate generation investments.