

# ANL/SINTEF

Market design seen from Brussels

31.05.2023,

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# Nordic Cooperation in Brussels



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34

National associations in 32 countries

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Finnish Energy

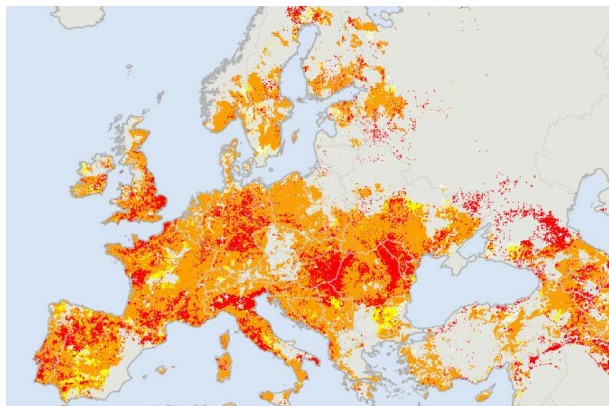
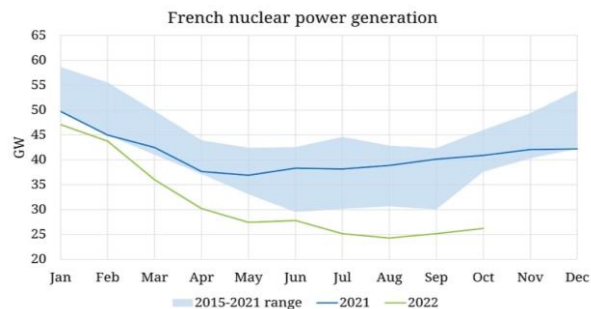


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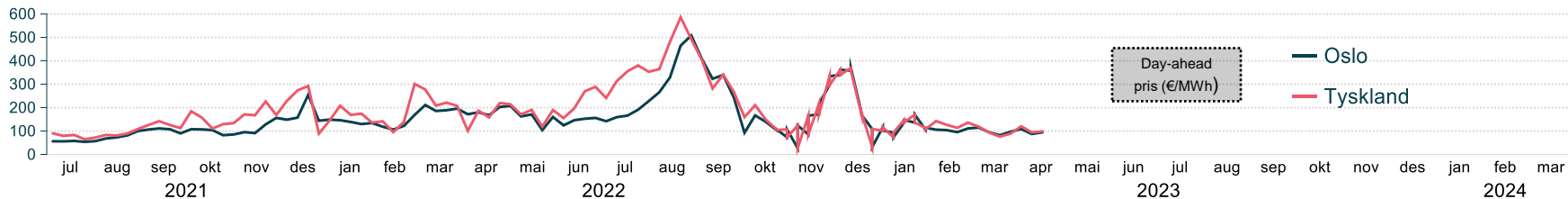
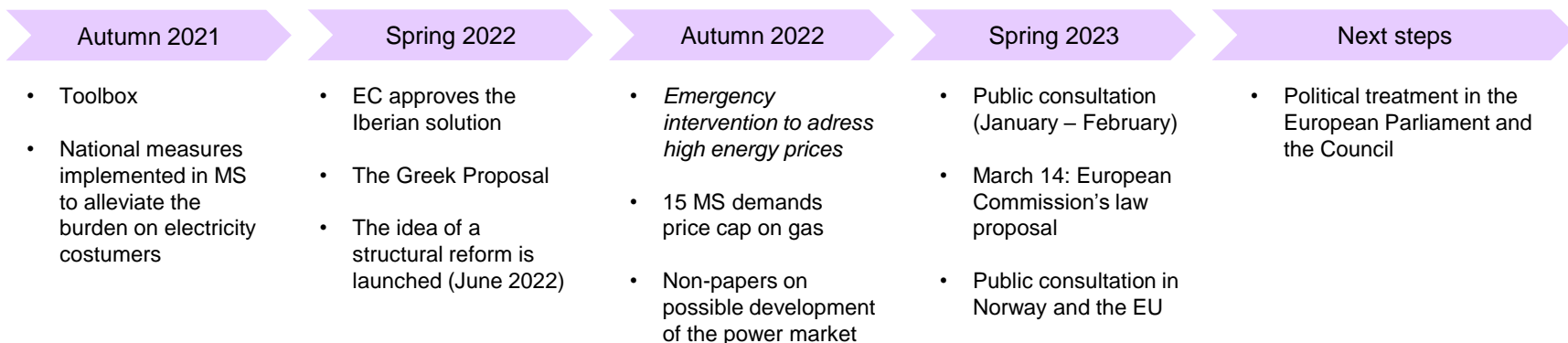


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## 2022 perfect storm in the energy markets



# Power prices and intervention coincide in time – also for the reform



# What does the European Commission want to achieve?



Make electricity bills less dependent on variations in short-term markets



Boost renewable energy investment



Alternatives to gas to balance the system



Protecting and empowering consumers



Enhancing market transparency and integrity

# What's not in the proposal

## Free price formation



No fundamental change in short-term markets

## Power trade



An integrated European power market enabling efficient use of resources

## Income cap for inframarginal generators



The temporary income cap introduced in EU last autumn is not prolonged.

# The European Commission proposes a sort of «decoupling» through more long-term agreements



- Enabling PPAs, for instance by ensuring that instruments such as guarantee schemes are available
- Direct price support to specified technologies must take the form of a two-sided contract for difference
- Further development of the financial forward market (virtual hubs and liquid financial transmission rights)

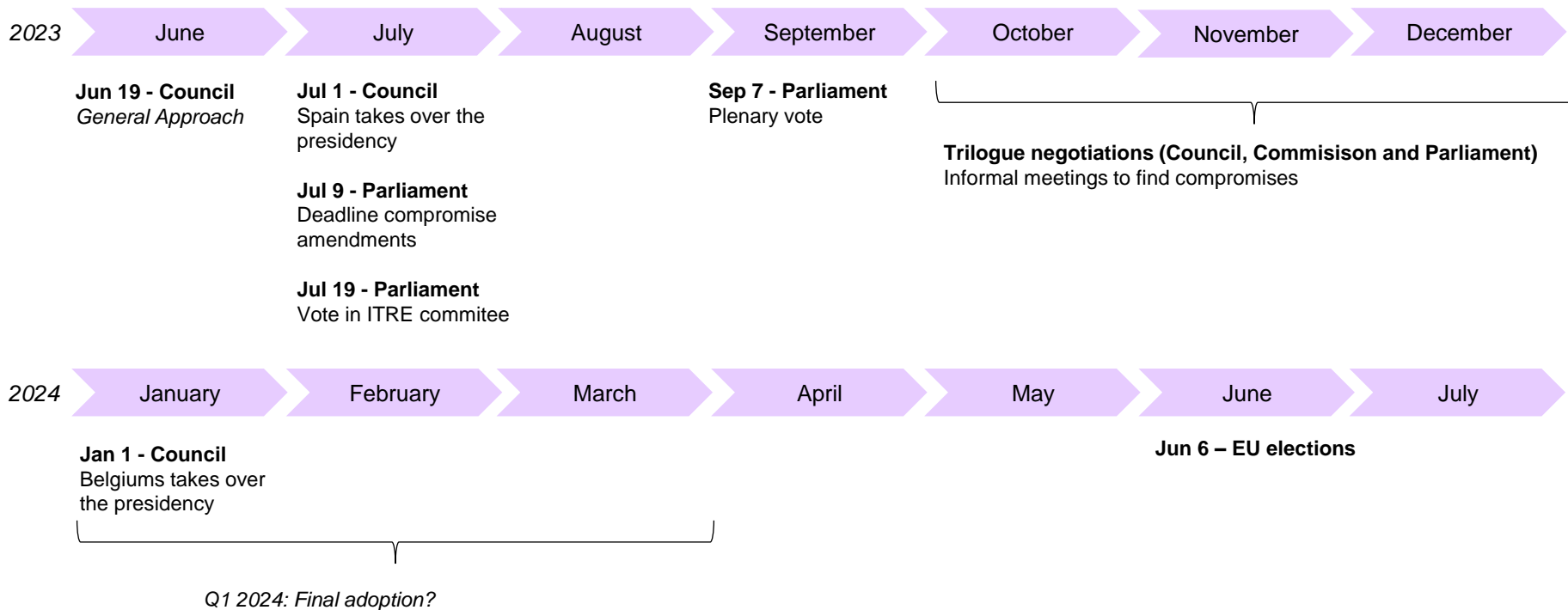


- Improving short-term markets (minimum bid size, intraday gate closure time, shared order books)
- TSOs may procure a product to reduce demand in peak hours (*peak shaving*)
- Indicative goals for demand response and storage, reporting
- Support mechanisms for flexibility



- Consumers shall have right to a fixed price fixed term agreement
- NRAs shall ensure that suppliers have appropriate hedging strategies
- Future electricity price crisis
- Energy sharing
- Consumers entitled to more than one metering and billing point

## Next steps







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