

EU CLIMATE POLICY and ELECTRICITY MARKET

Agenda

*This meeting is under Chatham House Rule.
Some speakers are still being confirmed.*

Date: October 12, 2023

Time: 10:30-12:30 (CET)

Location: Hybrid Webinar, 61 Rue Archimede, Brussels

The ERCST workstream on “EU Climate Policy and Electricity Market” provides analytical input on the interactions between EU climate policy and electricity market. ERCST has developed a framework matrix (Annex 1) for analysing the elements of the EC proposal on electricity market reform through a climate change lens.

During previous events on “EU Climate Policy and Electricity Market”, ERCST focused on discrete cells of the matrix i.e., short, and long-term instruments and their interactions with relevant climate policies (ETS, RED...) to understand:

- whether these interactions provide the right decarbonisation signals; and,
- the potential impacts of these interactions on EU industries’ competitiveness.

In this meeting, ERCST will present its final report on ‘EU Climate Policy and Electricity Market Design’. The Report aims to analyze and inform the policy debate through the climate lens, by providing policy makers and stakeholders an overview of how different potential provisions of the electricity market design interact with EU Climate Policy to deliver desirable outcomes.

The meeting will start with the presentation of ERCST Report on “EU Climate Policy and Electricity Market”, and this will be followed by preliminary remarks from the European Commission. Will then follow a panel discussion during which speaker will share their views and provide their opinions on the legislative package. Interventions and debate from the audience will take place during the following Q&A session.

10:30 **Welcome and Introduction - Opening remarks** (report presentation)

- Andrei Marcu, Executive Director, ERCST

10:50 **Preliminary Remarks**

- Tom Howes, Advisor, DG ENER, European Commission

11:05 **Panel Discussion**

The key questions to be addressed in the panel session are the following:

- How does the reform on Electricity Market Design interact with EU climate policies?
- Do these interactions provide the right decarbonisation signals? How do they impact on EU competitiveness?

Moderator: Andrei Marcu, Executive Director, ERCST

- Daniele Agostini, Enel
- Marion Labatut, EDF
- Olivier Imbault, ERCST
- Adolfo Aiello, Eurofer
- Els Brouwers, Essenscia
- Michael Pollitt, CERRE

12:10 **Q & A**

12:25 **Concluding remarks & end of the meeting**

ANNEX I- Framework Matrix – Overall Results

<i>Desirable Outcomes</i>	A. Short-term signals for decarbonization	B. Long-term signals for decarbonization	C. Competitiveness	D. Affordability	E. Security of Supply
<i>EMD Provisions</i>					
1. Short-term Pricing Mechanisms					
1. i) Marginal Pricing					
Marginal Pricing Mechanism	+	0	0	0	+
1. ii) Market Interventions					
Iberian Exception	-	-	+	+	0
Inframarginal Revenue Cap	-	-	+	+	0
Windfall Profit Tax	0	-	+	+	0
2. Medium to Long-term Instruments					
PPAs, CFDs, Forward Markets	0	+	+	+	+
Capacity Remuneration Mechanisms	+	+	+	+	+
3. Flexibility Options					
Flexibility Options (Storage and Demand Side Management)	+	+	+	+	+