

Electricity market design

Dr. Derk Swider

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e-on

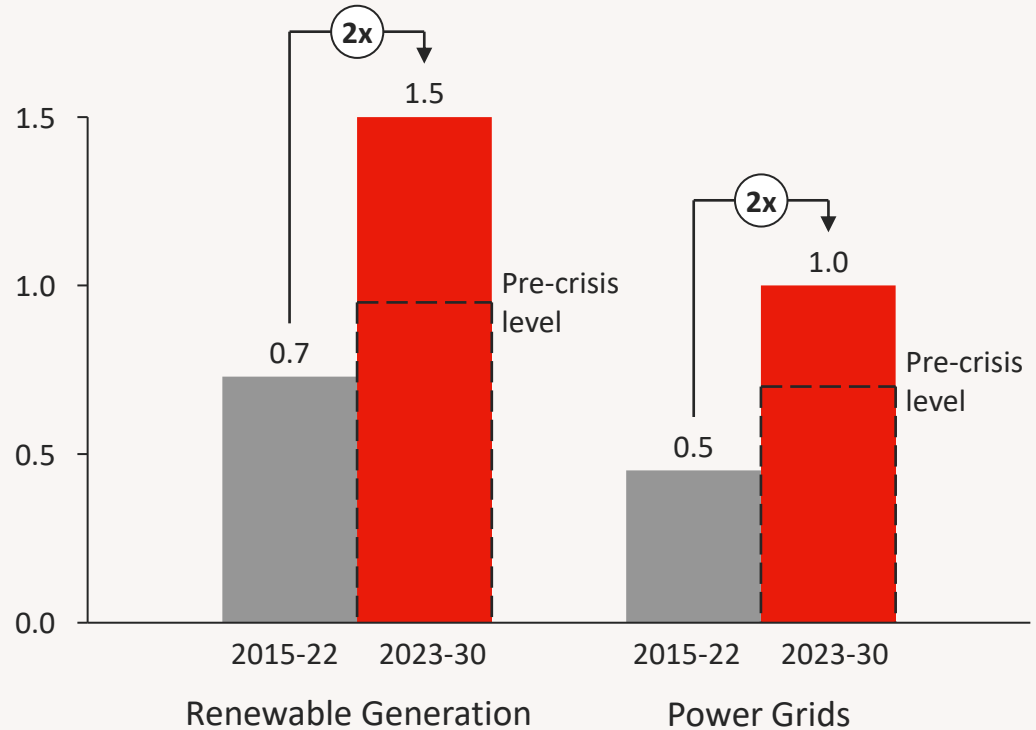


We need to invest our way out of the crisis



Ambitious European energy transition targets require simple and stable rules to invest despite strong economic headwinds.

EU energy transition investments have to double until 2030 to meet Fit for 55 and RepowerEU targets [€ tn]

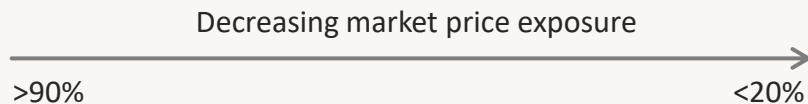


Contracts for Difference help to reach RES target

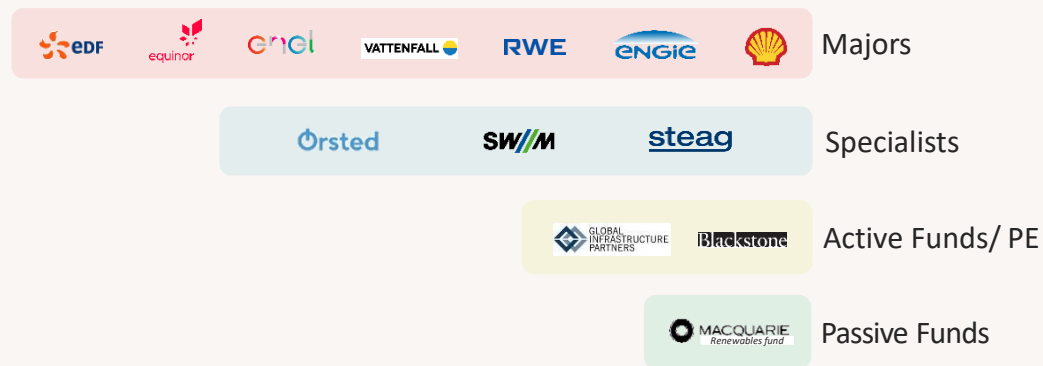


Supports cost-effective build-out of RES with optimal dispatch being preserved but compatibility with forward markets need to be ensured.

Low exposure of RES projects to market risks maximize the investor pool and the likelihood to secure the expansion path



Interested investors:



Selected instruments:

Market via RES
quota & CO₂ price

Power Purchase
Agreements

Contracts for
Difference

Licensing is better than hedging obligations



Hedging protected us from a skyrocketing market – but is not helpful when markets calm and does not prevent exits of speculative retailers.

Gas prices illustrate the recent roller-coaster ride while hedging at liquid forward markets protected customers [€/MWh]



What we still need to get right...



Opportunities to ensure adequate infrastructure investments and the reliability of retail markets remain to be captured.

Improve the essentials now, carefully assess the more fundamental changes along a robust internal energy market governance

1

Secure adequate backup capacity and flexibility



2

Keep energy forward markets liquid



3

Scale grid expansion and digitalization

