

Energy Transition: A Multifaceted Challenge for Europe

## High-Level Energy Conference

**The impact of the new EU electricity market design: how will the different pieces of the puzzle fit together?**

6 December 2016, 9:00 to 13:00, Egmont Palace, Brussels

**#ETseries2016**

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# ADDRESSING SECURITY OF SUPPLY ISSUES AT THE RIGHT LEVEL

High Level Energy Conference Egmont &  
Development Group – December 6th, 2016

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# A SERIOUS QUESTION, ASKED AT NATIONAL LEVEL, THAT CALLS FOR EFFICIENT SOLUTIONS



AT NATIONAL LEVEL

- Security of supply is expected from governments
- ...and required by European legislation



A REAL PROBLEM

- Energy markets do not easily deliver (if at all!) security of supply



EFFICIENT SOLUTIONS

- Governments have proven able to design efficient mechanisms

# RECENT EXPERIENCE IS CLEAR ENOUGH: GOVERNMENTS HAD TO DO SOMETHING



Even with a small thermal fleet France needs a capacity mechanism



The UK tried a lot of market organisations and solved its problem with the EMR



Italy has invested in a huge amount of RES and could not do with just an energy only market

**Demand side can help but governments have to tackle the security issue**

# REGIONAL LEVEL MAKES SENSE - BUT BE EFFICIENT AND MAKE IT ACCEPTABLE!

Regions are the relevant perimeter for adequacy analysis – then capacity mechanisms do the job



More interconnection capacity is useful – provided projects are selected on an economic basis



**Integration and market design reforms generate winners and losers. This must be addressed**

**THANK YOU**