CLEAN ENERGY PACKAGE: ACHIEVING MARKET INTEGRATION OR PRESERVING STATUS QUO?

5th Vienna Forum on European Energy Law
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OUR VISION…

…integrated european energy market, where electricity flows freely across borders and participants are subject to same rules
WHERE DO WE STAND?

- Non-functioning EU ETS
- Insufficient market signals for future investment
- Overlaps between respective policies
- National measures over European rules

Market reform needed!
## EU LEGISLATION SO FAR…

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<td><strong>Electricity market</strong></td>
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<td>3rd liberalisation package: directive 2009/72/EC, regulation 1228/2003</td>
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<td>directive 2006/32/EC (energy services)</td>
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<td>directive 2009/125/EC (ecodesign), directive 2010/30/EU (labelling), directive 2010/31/EU (EPBD)</td>
<td>directive 2012/27/EU (EED)</td>
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### Energy Union
# CLEAN ENERGY PACKAGE

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<tr>
<th>Clean Energy for all Europeans</th>
<th>2015</th>
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<td>Electricity market</td>
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<td>Proposal for a new regulation on risk preparedness in the electricity sector</td>
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<td>Decarbonisation</td>
<td>Revised EU ETS directive</td>
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<td>Governance</td>
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<td>Proposal for a regulation on the Governance of the Energy Union</td>
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CEP DOES NOT FULLY REFLECT ON NEEDED REFORMS

2030 Climate and Energy framework

-40 % in greenhouse gas emissions

27 % share of renewables

-27 % in energy consumption

Energy summer package 2015, 2016 Clean Energy for All Europeans package

EU ETS, Effort-sharing

Putting energy efficiency first

Providing a fair deal for consumers

Achieving global leadership in renewables

Putting energy efficiency first
ELECTRICITY MARKET: POSITIVE DEVELOPMENT

- Addresses market distortions: price regulation, balancing responsibility
- Enhances short-term market functioning
- Integrate renewables
- Support regional cooperation of TSOs and DSOs
- Define new players on the market
- Empowers consumers
WHAT ARE WE MISSING?

- Emphasis on EU market integration
- Truly equal level playing field
- Target overlaps with other policies
EU MARKET INTEGRATION

Enforce existing and make sure upgraded rules stay in the legislation:

• TSOs shall **not limit cross-border trade** to solve problems in their own grid

• **European prior to national measures:**
  capacity mechanisms a last resort, ensure cross-border participation, include phase-out clauses in all mechanisms

• Further **build-up of cross-border infrastructure**

• **Free market entry and exit** of generation assets

• **Removal of price restrictions**
No exemptions:
• Balancing responsibility for all players
• Dispatch, redispacth and curtailment fully market-based

New players **same rights AND obligations** as incumbent ones:
• Aggregators, local energy communities
• Consumers cannot subsidize prosumers

**Rights aligned to obligations:**
• security of supply at national level <-> procurement of balancing capacity regional

**Subsidiarity:** distribution tariffs
OVERLAPS NEED TO BE ADDRESSED

- Energy efficiency
- Electricity pricing
- The only decarbonisation tool
- EU ETS
- Flexibility for Member States
- Cost-efficient and least distorting goals fulfillment
THANK YOU FOR YOUR ATTENTION.

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