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How to design a market for renewables?

Vienna Forum on the European Energy Transition

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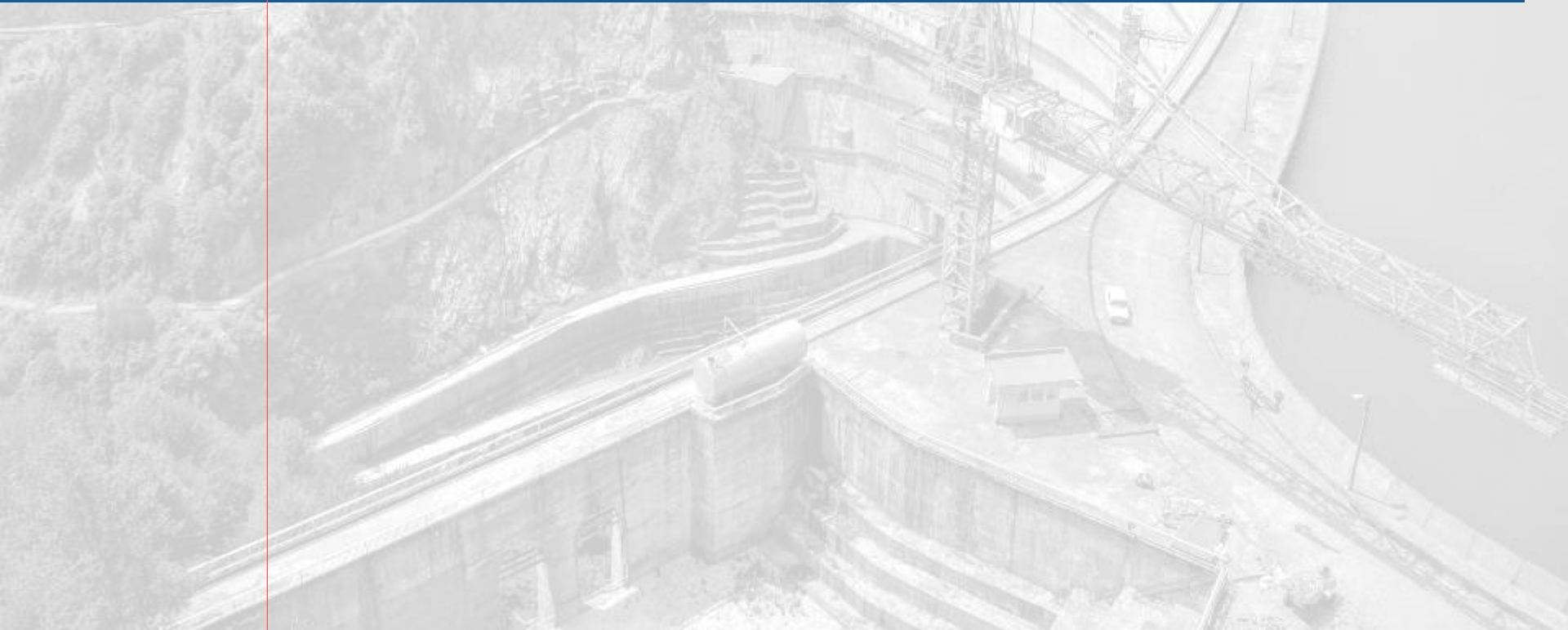
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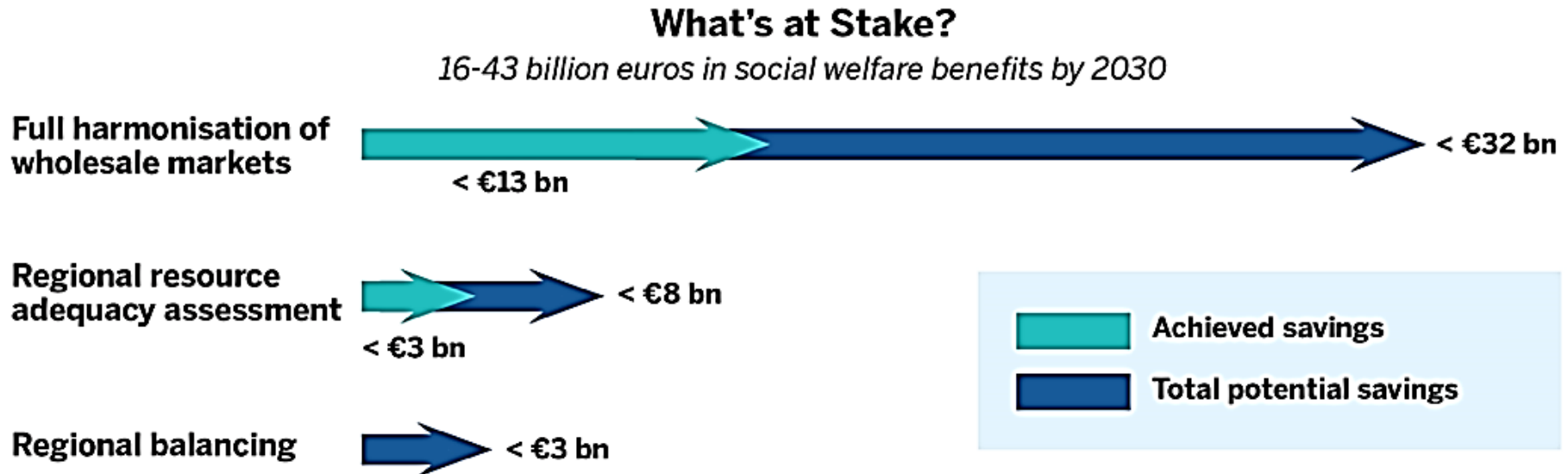


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EU market integration

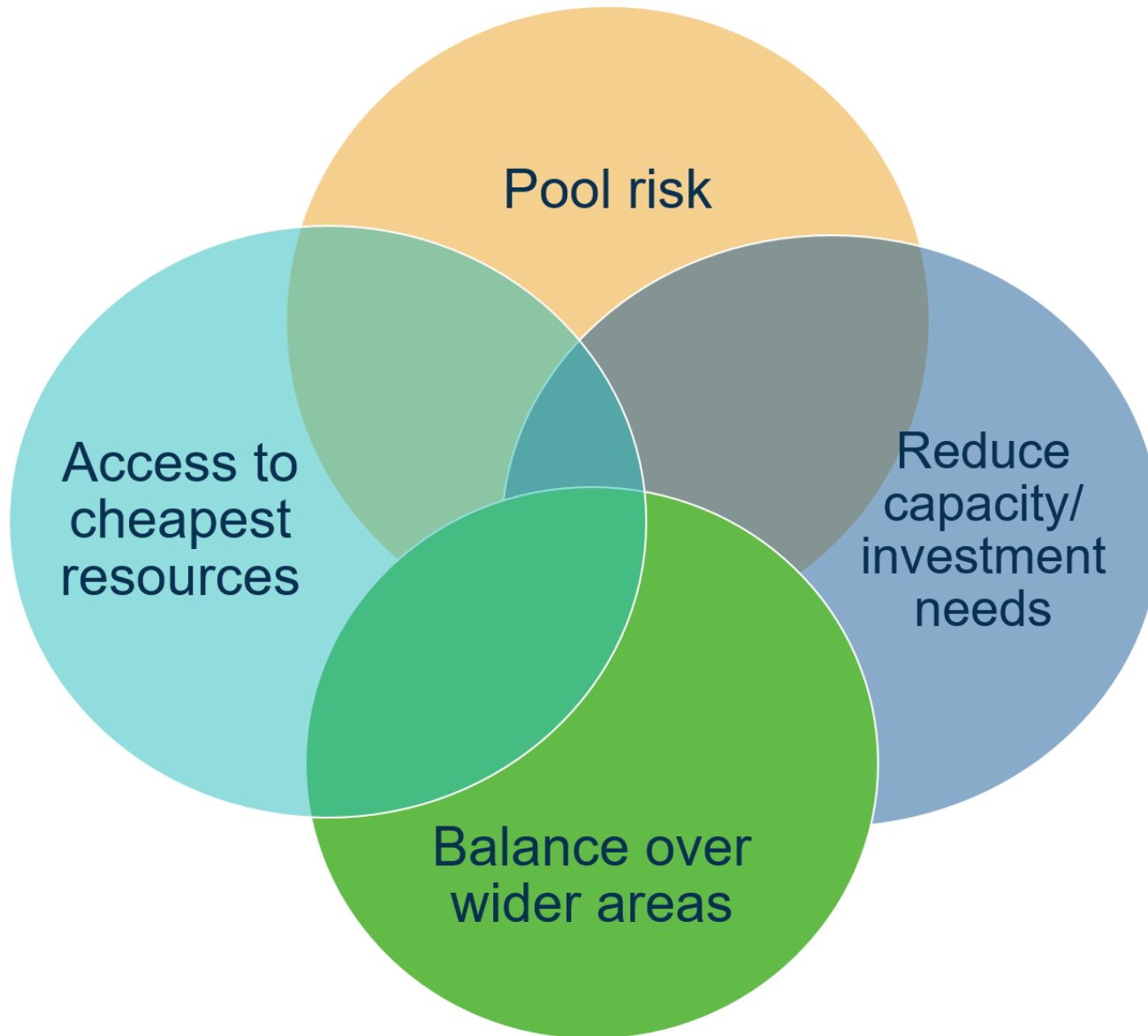


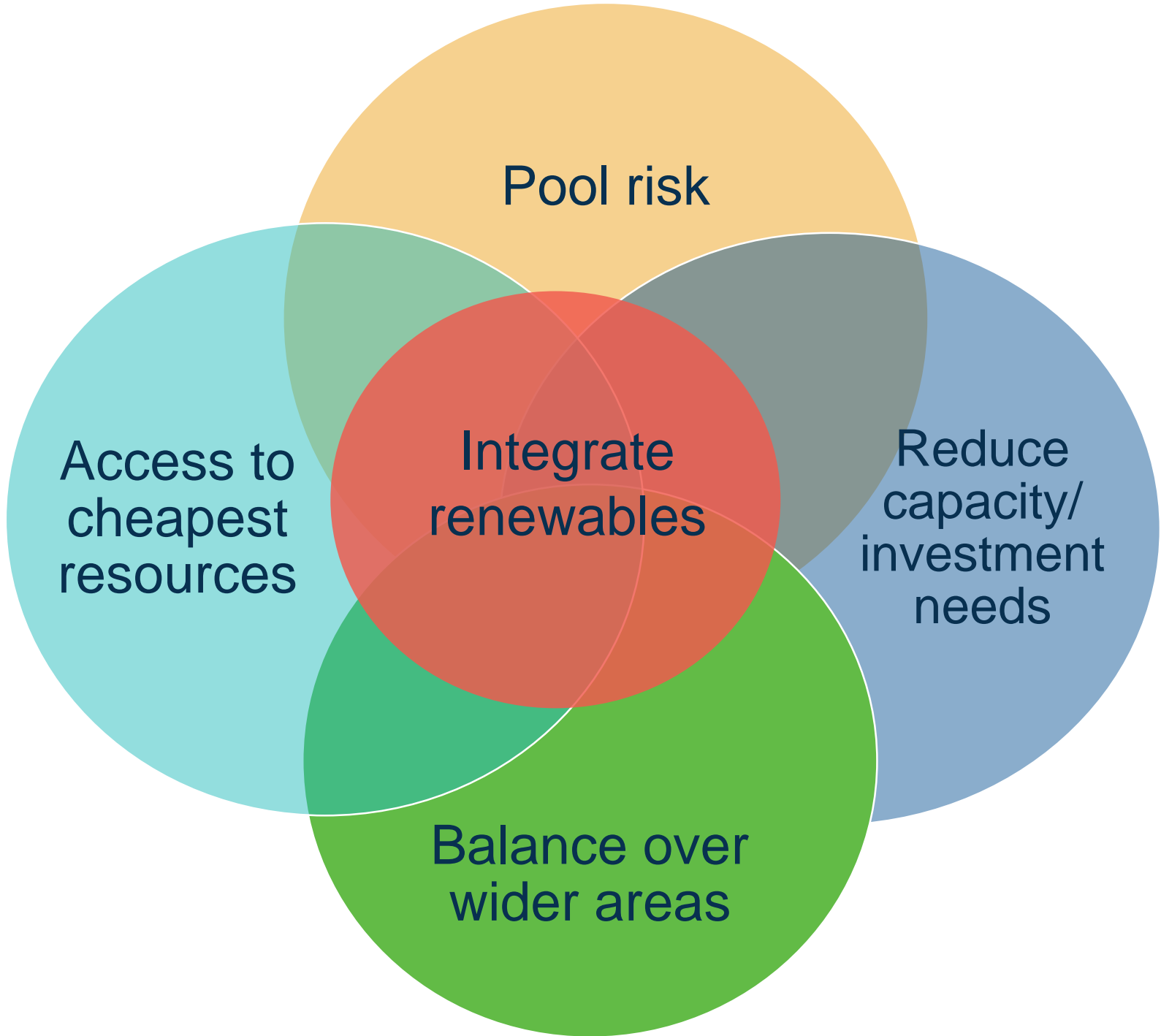
Benefits of market integration



Based on: Booz & Co. (2013). Benefits of an integrated European energy market; and European Commission. (2016). Commission Staff Working Document Impact Assessment, Part 3/5

Benefits of regionalisation



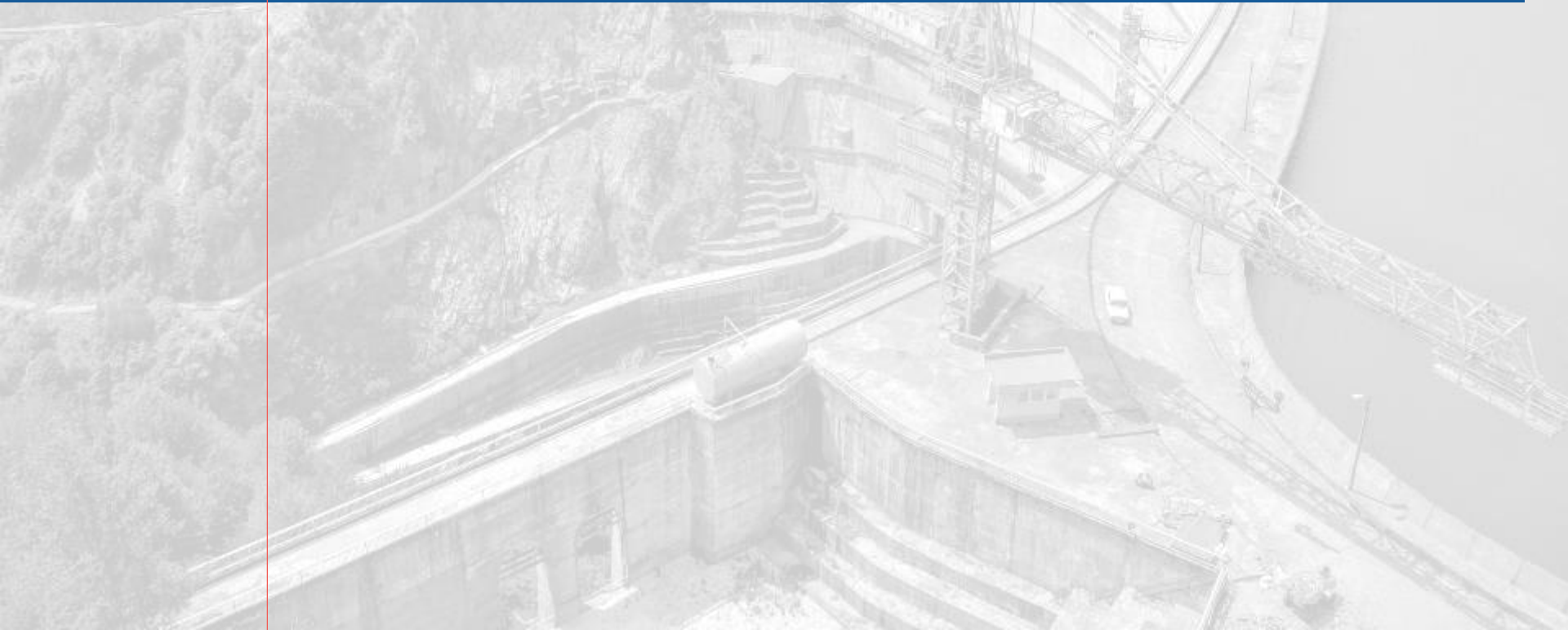


Economy of scale maximizes consumer benefits

- Enlarge bidding zones and balancing zones:
 - Operate system more independently e.g. by ROC, RCC or RSC
- Use interconnection capacity better:
 - Follow physics instead of national borders
- Calculate resources jointly (RAA):
 - Reduce reserves and capacity payments

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Local action



Value of distributed energy resources (DER)

- Economic value: DER reduces transmission costs and increases security of supply
- Political value:
 - Investments – to gain private money
 - Acceptance – by participation
 - Self consumption – as motivation

Tasks for local action

- Around the CE4All, self-consumption was in the focus, but consumer engagement is broader:
- Compare costs of energy system to efficiency
 - Implement/improve energy efficiency measures
- Consider demand response as a system resource
- Rate design: time-varying instead of fixed charges
- Smart integration of new demand (EV, heat pumps)
- Locational prices/incentives

About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org



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