



TOWARD A NEW ELECTRICITY MARKET MODEL? CAN PPAs AND CFDs CO-EXIST, AND WHAT ARE BEST PRACTICES FOR THEIR DESIGN?



CEEM Hybrid Workshop
13 February 2023 - 4:30^{pm} - 6:30^{pm}

Room Raymond Aron - Université Paris Dauphine-PSL / Online on Teams
Chair European Electricity Markets (CEEM)

The Chair European Electricity Markets (CEEM) at the University of Paris Dauphine – PSL has launched a new research program over 2023 and 2024 structured around: 1) a series of [workshops and conferences](#) and 2) a call for papers for publication in the [CEEM working papers and peer reviewed journal articles](#). This workshop is the first of a series and will focus on the first workstream “Decoupling of short-term wholesale price signals and long-term signals for investment”.

INTRODUCTION AND OBJECTIVES

The energy crisis that was triggered by the Russian war in Ukraine has revived the debate on the issues with the current electricity market design, and put the spotlight on the necessary role of long term contracts to provide a stable investment framework for and provide hedging opportunities to consumers.

Different types of long term contracts already existing in electricity markets, ranging from voluntary contracts such as corporate PPAs between private counterparties, or contracts with a public counterparty awarded through a competitive auctioning process such as CfDs.

The specific design of these contracts determines the allocation of risks between the parties, and has important implications for the incentives for participation and bidding approaches in energy markets.

The conference will discuss the different possible design approaches for CfDs, the interplay with the voluntary PPA market, and the ways in which these two types of contracts can co-exist. The conference will also review the potential effects of different types of contracts on bidding incentives and potential distortions in energy markets.

WORKSHOP AGENDA

16h30 [Welcome coffee](#)

17h00 [Introduction and presentation of the CEEM research program](#)

17h10 [Decoupling of short-term price signals and long-term signals for investment](#)

moderated by Fabien Roques, CEEM

Incentive-compatible efficient Renewable Electricity Support Scheme - David Newbery (University of Cambridge)

Financial CfDs - Lion Hirth (Herthie School)

Combining CfDs and PPAs - Benjamin Genêt (ELIA)

Key issues for research on CfDs and PPAs - Kevin Favre (CEEM)

17h50 [Concluding roundtable with CEEM sponsors](#)

Roundtable discussion with the industrial partners from the Chair CEEM - moderated by Jan-Horst Keppler (CEEM)

Representatives from EDF, EPEX SPOT, RTE and TotalEnergies

18h20 [Concluding remarks](#)

18h30 [Cocktail \(Espace 2\)](#)