



CALL FOR PAPERS - INTERNATIONAL CONFERENCE (CEEM) “TOWARD A NEW ELECTRICITY MARKET MODEL?”

The Chair European Electricity Markets (CEEM) at the University of Paris Dauphine – PSL supported by its partners RTE, EDF, EPEX Spot and Total Direct Energie has launched a new research program over 2023 and 2024 on electricity market design. This Call for Papers presents the key areas of research and the modalities for academic contributions to be eligible to present initial findings at the CEEM conference in Paris on 14-15/06/2023, and to eventually produce a paper that will be published as part of the CEEM Working papers and in a peer reviewed journal.

INTRODUCTION AND MOTIVATION OF THE RESEARCH PROGRAM

The energy crisis that followed the Russian war in Ukraine has led European power markets to unprecedented levels of prices and stress. It has also triggered wide ranging policy interventions and calls for reforms of the electricity market design. The general theme of the CEEM new research program over 2022-2024 is the definition of a new electricity market model that makes it possible to respond to the issues related to the coordination and financing of the investments necessary for a successful energy transition in the context of high energy prices and increased concerns on security of supply and affordability of energy. This requires a profound revision of the historical target market model defined in the 1980s/1990s in a different context and with different policy objectives.

PRESENTATION OF THE RESEARCH THEMES AND WORKSTREAMS

The research program is structured around the following key research questions:

Workstream 1: Decoupling of short-term wholesale price signals and long-term signals for investment

This workstream will focus on the investment challenges for a successful energy transition and the role of different types of long term contracts, e.g. PPAs, CfDs, with private or public counterparties). This workstream will cover both the articulation of long-term signals with short-term market price signals, interactions with CO2 pricing instruments and specific support mechanisms for low-carbon technologies, the design of long-term contracts and their articulation with short-term markets, and the associated governance and regulation issues. It is anticipated that this workstream will cover in particular:

- The classification and typology of “hybrid markets” to map the potential alternative approaches
- The definition of the types of long-term contracts, their pros and cons and suitability for different types of assets
- The design of the products to be procured, and the extent to which technology neutrality and competition based on attributes should be pursued
- The organisation of the planning and procurement and the role and responsibilities of different stakeholders
- The pros and cons of centralization or decentralization of the procurement

Workstream 2: Decoupling of retail prices / consumer costs from wholesale prices

This workstream will focus on the relationship between wholesale and retail prices, the potential hedging approaches for different types of consumers, and the cost born by different types of end users. The key issues in this workstream revolve around the passing on of the costs associated with long term contracts to end users, and the incentives that derive from the tariff structure. This includes the issues of electricity tariff design for different types of end consumers, both in structure and in levels (role and format of dynamic pricing (RTP, critical peak price, time of use, etc.) depending on the type of consumer, specific case of industrials having to electrify, etc.). The topics that will be covered include:

- The different hedging approaches for different types of end consumers, the conditions for linking production costs and the cost of sourcing, and the distributional / efficiency issues associated
- The approaches to ensure the financial balance of the system
- The tradeoff between cost reflectivity versus discrimination between different types of users based on e.g. vulnerability
- The retail pricing approaches and the different tariff construction methodologies, including two parts / non-linear tariffs, as well as the role of fixed versus variable structures
- The impact of different pricing structures on the efficient signals for consumers



CALL FOR PAPERS AND PRACTICALITIES

The objective of the research initiative is to provide a collaborative environment that will support the development of working papers to be published by the CEEM – and ultimately in peer reviewed energy economics academic journals.

Researchers that wish to participate will commit to 1/ present initial findings at the CEEM conference in Paris on 14-15/06/2023, and to 2/ eventually produce a paper that will be published as part of the CEEM Working papers and in a peer reviewed journal.

Researchers be incentivized and remunerated for their participation through the usual CEEM policy to provide financial compensation for the publication of working papers and for publication in academic journals. The acceptance of a research paper among the Working Papers of the CEEM gives right to the lump sum of 1000€ Gross. If there are several authors, the sum can be equally divided between them.

In view of the publication of the research paper in one of the academic journals listed below, and provided that the CEEM is explicitly thanked, an additional compensation of an amount in euros will be paid¹.

To enter the selection process, authors should send an abstract of ca. 500 words indicating the research question, the methodology, data (if applicable), literature and results to the CEEM Scientific Director Fabien Roques (fabien.roques@dauphine.psl.eu) and the CEEM Scientific Advisor, Boris Solier (boris.solier@umontpellier.fr), by 31 March 2023.

The CEEM Scientific Director, the CEEM Scientific Advisor in cooperation with the Coordinator of the relevant Working Group will decide whether to propose a paper to the CEEM Validation Committee (<http://www.ceem-dauphine.org/who/en>) and will invite the author(s) of the abstract to submit a full-length paper by 30 April 2023.

¹ Energy Journal, Energy Policy, Energy Economics: 5000€ ; journals on the CNRS list, in the category of economics and management journals: 3000€ ; other journals such as *Revue de l'énergie, Economie et sociétés*, with the agreement of the Scientific Director of the CEEM: 1500€.