



# TOWARD A NEW ELECTRICITY MARKET MODEL: IS DECOUPLING THE RIGHT APPROACH?



**CEEM Conference**

**05 december 2022 - 2:30<sup>pm</sup> - 7:00<sup>pm</sup>**

*Room Raymond Aron - Université Paris Dauphine-PSL  
Chair European Electricity Markets (CEEM)*

## INTRODUCTION AND OBJECTIVES

The energy crisis that was triggered by the Russian war in Ukraine has led European power markets to unprecedented levels of prices and stress. It has also led to wide ranging policy interventions and calls for reforms of the wholesale electricity market design.

Whilst the market failures or missing markets that affect electricity markets have been covered in great depth in the economic literature, the historic target model defined in 1980s has remained the basis for Europe's liberalisation and integration of power markets in the past two decades.

The ongoing energy crisis in Europe has revived the debate on the issues with the current market design based on the marginal cost approach. The policy momentum for a reform of electricity markets seems to be building up as the European Commission announced that it will put forward some proposals in the first part of 2023.

"Decoupling" seems to have become the buzz word in European policy debates. However, there seems to be a lot of confusion on the type and scope of the decoupling. In some cases, decoupling refers to the reduction of European's dependence on gas imports and the link between international gas markets prices and electricity prices. In other cases, the focus is on the decoupling of price formation in wholesale markets, by splitting the market between dependable and not dependable technologies. Other proposals focus on the policy objective of decoupling end user prices from the wholesale price signals, whilst leaving the wholesale market operating as it does today.

In this context, the conference will aim to present and discuss the different proposals for alternative market models that have been put forward by scholars and experts.

## WORKSHOP AGENDA

**14h30** Welcome coffee

**15h00** Conference introduction

**15h05** Keynote introduction

**Christophe Gence Creux, Head of the Electricity Department at ACER**  
**Dominique Jamme, Director General of CRE**

**15h20** Session 1: Decoupling of short-term price signals and long-term signals for investment

**moderated by** Jan Horst Keppler, CEEM

**New electricity market architecture** - Natalia Fabra

**Bidding and Investment in Wholesale Electricity Markets: Pay-as-Bid versus Uniform-Price Auctions** - Bert Willems

**Energy market design and the impact of decarbonisation: the two market approach** - Malcolm Kay, David Robinson

**Barriers to long term contracts and possible approaches to support their development** - Fabien Roques

**The long term Central Buyer, a way towards the double decoupling** - Dominique Finon, Etienne Beeker

**16h30** Coffee break

**17h00** Session 2: Decoupling of retail prices / consumer costs from wholesale prices

**moderated by** Boris Solier, CEEM

**European Electricity Markets: From Crisis to Net Zero** - Michael Pollitt

**Electricity grid tariffs for electrification and energy justice in households** - Claire Bergaentzlé

**Affordability options as a policy response to the energy crisis** - Tim Schittekatte

**18h00** Concluding roundtable with CEEM sponsors

**Roundtable discussion with the industrial partners from the Chair CEEM**

Representatives from EDF, EPEX SPOT, RTE and TotalEnergies

**18h30** Concluding remarks and cocktail