



TOWARD A NEW MARKET DESIGN WITH  
LONG TERM ARRANGEMENTS:  
**RECONCILING THE SUPPLY SIDE  
AND DEMAND SIDE WITH  
SMART TARIFFS**



**CEEM Hybrid Workshop**  
**23 March 2023 - 4:30<sup>pm</sup> - 7:30<sup>pm</sup>**

*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](#).

## INTRODUCTION AND OBJECTIVES

There is currently much policy focus on how to embed long term arrangements into electricity market design, with the twin objective to facilitate investment in capital intensive technologies, and to enhance hedging opportunities for consumers. Different types of long-term arrangements already exist, ranging from capacity based mechanisms such as capacity markets, , or energy based contracts such as forwards, CfDs or PPA. There has been much discussion on the design of such long term arrangements, in order to preserve efficient price signals and liquidity in forward markets.

Another important issue that has to date received less attention in public debates and academic research is the issue of the allocation of these long term arrangements costs and their potential effect on the market parties, and on the electricity system. The objective of the conference will be to discuss the recent academic research on the question of the allocation of these long term arrangements costs to consumers. The conference will thus focus on the relationship between wholesale and retail prices, and more specifically on the issues that revolve around the passing on of the costs associated with long term contracts to end users, and the incentives that derive from the different possible approaches. 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 impact of different pricing structures on the efficient signals for consumers

## WORKSHOP AGENDA

**16h30** [Welcome coffee](#)

**17h00** [Introduction and presentation of the conference](#)

**17h10** [Implications and design of cost recovery for long term arrangement](#)

**moderated by** Fabien Roques, CEEM

**Use and Abuse of Regulated Prices in Electricity Markets** - Carine Staropoli (PSE)

**Electricity retail rate design in a decarbonizing economy: An analysis of time-of-use and critical peak pricing** - Tim Schittekatte (MIT)

**Demand side effects of long-term arrangements - Current Trends and New Paths** - Léopold Monjoie (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 \(Espace 2\)](#)