



# THE ELECTRICITY MARKET DESIGN:

KEY ISSUES IN THE LIGHT OF THE ONGOING CHALLENGES  
AND PRIORITIES FOR FUTURE RESEARCH



**CEEM International workshop**  
**1<sup>st</sup> March 2022 - 9:30<sup>am</sup> - 5:45<sup>pm</sup>**

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

## INTRODUCTION AND OBJECTIVES

Electricity prices have reached new historical highs in the past months, leading a range of policy makers to question the current organisation of power markets in Europe. The crisis has revived the tension between the different dimensions shaping European energy policy – namely the climate agenda, but also competitiveness and affordability issues, as well as security of supply.

This background casts a new light on some of the academic research on electricity market design and the supporting set of regulations that is ongoing at the Chaire European Electricity Markets (CEEM) and elsewhere. Whilst the debate on the necessary evolutions of the current European market model largely predates the current crisis, the objective of this conference will be to discuss the implications of some of the ongoing research and its relevance for the new energy realities that are shaping up.

The conference will be divided in three main sections, which correspond to some of the active research areas at the CEEM. Each section will organise discussion between CEEM researchers and invited academic experts.

A market design to deliver the different policy objectives shaping European policy towards decarbonisation requires both efficient coordination signals in the short term for system operation and in the long term to ensure optimal investment decisions. An invited lecture on new perspectives in electricity market research will initiate the afternoon session. The conference will be concluded by a roundtable that will bring together CEEM partners and the keynote speakers.

The workshop organised by the CEEM will bring together in a hybrid format with both physical participation in Dauphine university and a virtual connection electricity markets practitioner, and academic researchers to discuss these issues.

## WORKSHOP AGENDA

9:30<sup>am</sup>

**Welcome coffee**

10<sup>am</sup>

**Introduction by Jan Horst Keppler and Fabien Roques**

10:15<sup>am</sup>

**Session 1: The Short Term**

## PROVIDING LOCALISED FLEXIBILITY CLOSER TO REAL-TIME: THE IMPORTANCE OF LOCAL ELECTRICITY MARKETS

Keynote introduction: Dispatch Hubs

*Lion Hirth*

How effective are local markets? Initial empirical feedback from the UKPN experience

*Theo Dronne*

Modelling the impact of local flexibility markets in Germany and France

*Carlo Schmitt*

Governance and organisation of local flexibility markets: Key issues and approaches

*Olivier Rebenaque*

12:15<sup>pm</sup>

**Lunch break**

2:15<sup>pm</sup>

**Invited Lecture on New Perspectives for Academic Research on Electricity Markets**  
**Mickael Pollitt**

2:45<sup>pm</sup>

**Session 2: The Long Term**

**ENABLING INVESTMENT IN LOW CARBON GENERATION IN HYBRID ELECTRICITY MARKETS**

An institutional analysis of hybrid markets

*Fabien Roques, Marcelo Saguan and Simon Quemin*

On the socially optimal cost of capital for investments into low carbon electricity generation

*Jan Horst Keppler*

Securing investment for electricity markets. How to design capacity remuneration mechanisms?

*Léopold Monjoie*

Minimising the costs for new renewable capacity through auctions: the experience so far

*Chloé Le Coq*

4:15<sup>pm</sup>

**Coffee break**

4:45<sup>pm</sup>

**Concluding Rountable on the Implications of Recent Events for Market Designs with  
CEEM Partners**

EDF, TotalEnergies, RTE, EPEX SPOT  
Jan-Horst Keppler, Fabien Roques, Mickael Pollitt

5:45<sup>pm</sup>

**Conclusion and Close**

*Thank you for your participation to our International workshop on*

**THE ELECTRICITY MARKET DESIGN: KEY ISSUES IN THE LIGHT  
OF THE ONGOING CHALLENGES AND PRIORITIES FOR FUTURE  
RESEARCH**

Chaire European Electricity Markets  
<http://www.ceem-dauphine.org/home/en/>

