

O MERCADO EUROPEU DE ELECTRICIDADE

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NEWES, New Energy Solutions

APREN Portugal renewable energy summit

Lisboa, 30 Novembro 2023

Há 18 meses um debate sobre a reforma do mercado de electricidade era impensável...

E, no entanto, a necessidade dessa reforma era já evidente antes da crise dos preços da energia.

Problema visível: incompatibilidade do Pacto Ecológico (Green Deal) com regras de mercado.

Problema “invisível” (até 24.2.2022...): segurança de abastecimento.

Ursula von der Leyen, President of the Commission. – Mr President, indeed, electricity prices, energy prices are skyrocketing and we are doing a lot on it. We have issued a toolbox that many of our Member States are using that is taxing the windfall profits and subsidising thus the vulnerable households and the vulnerable businesses. But we also acknowledge that this is a short-term relief that will not really change something in the structure of the market.

And what is the problem of the structure of the market? We still have an electricity market that is designed in a way like it was necessary 20 years ago when we started to bring in the renewables. So it is the renewables that go in first, at that time much more expensive, and later on comes the other energy topics, like for example oil, or gas, or nuclear, or coal. And the one that comes last in, the most expensive, is defining the price.

Today, the market is completely different. It is the renewables that are the most cost-effective and the cheapest ones. And they come in and then at the very end comes in gas. Gas is the most expensive, but it defines the whole price. And this market system does not work anymore. We have to reform it. We have to adapt it to the new realities of dominant renewables. This is the task that the Commission has taken over now. This is not trivial. This is a huge reform. It will take time. It has to be well thought through. But we need to step forward to adapt our electricity market to the modern conditions.

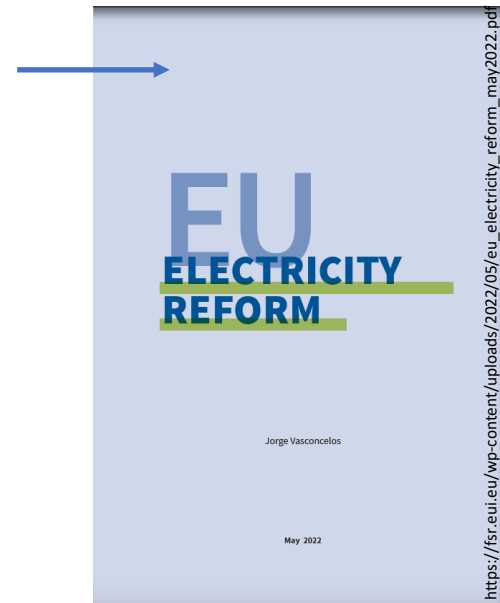
European Parliament, June 7, 2022



Strasbourg, 14.3.2023
COM(2023) 148 final
2023/0077 (COD)

Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design

(Text with EEA relevance)
(SWD(2023) 58 final)





1) From commoditisation to communitisation



2) From a “single market and multiple subsidies” to “multiple markets and no subsidies”



3) Decentralise the centralised, centralise the decentralised



4) Deregulate the over-regulated, regulate the under-regulated



5) Phasing in innovation, phasing out coal and gas electricity

**ELECTRICITY
MARKET REFORM:**

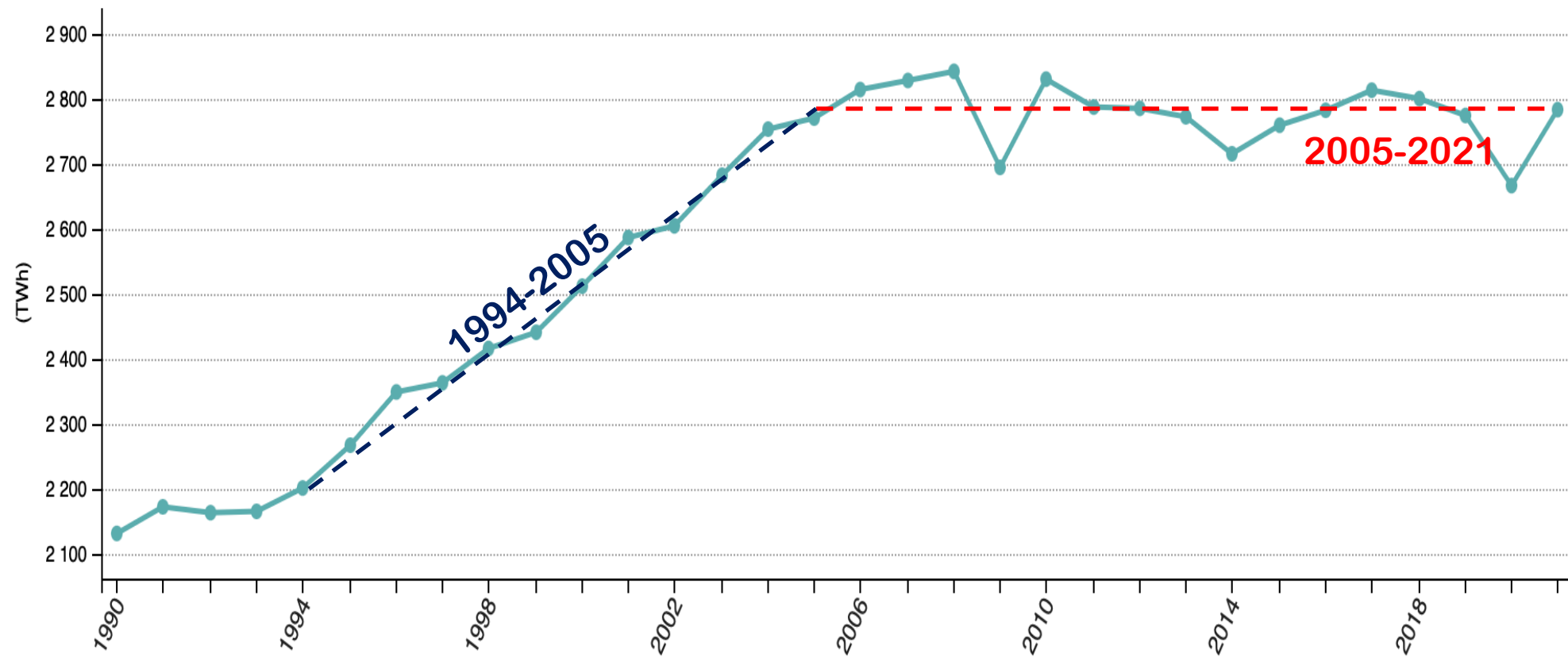
A means to multiple ends

Jorge Vasconcelos
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June 2023

FROM A MATURE, MODERATELY GROWING ELECTRICITY MARKET,
INCREASINGLY DEPENDENT UPON GAS-BASED GENERATION,
TO A NO-GROWTH, INCREASINGLY GREEN STATE-GUARANTEED GENERATION

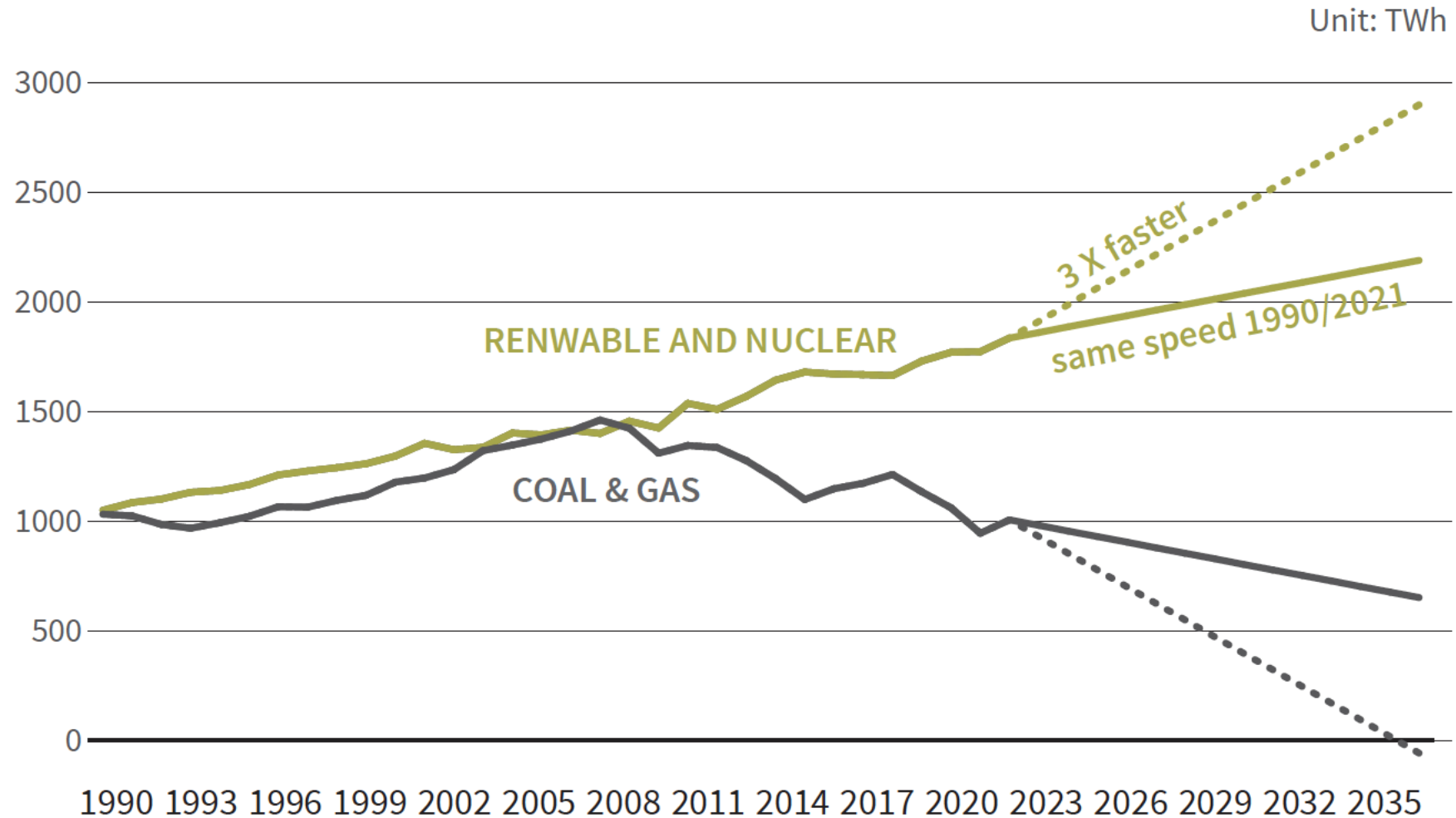
Net electricity generation, EU, 1990-2021



Source: Eurostat (online data code: nrg_ind_peh)

FROM A NO-GROWTH, INCREASINGLY GREEN, STATE-GUARANTEED GENERATION MARKET, TO ELECTRICITY DECARBONISATION

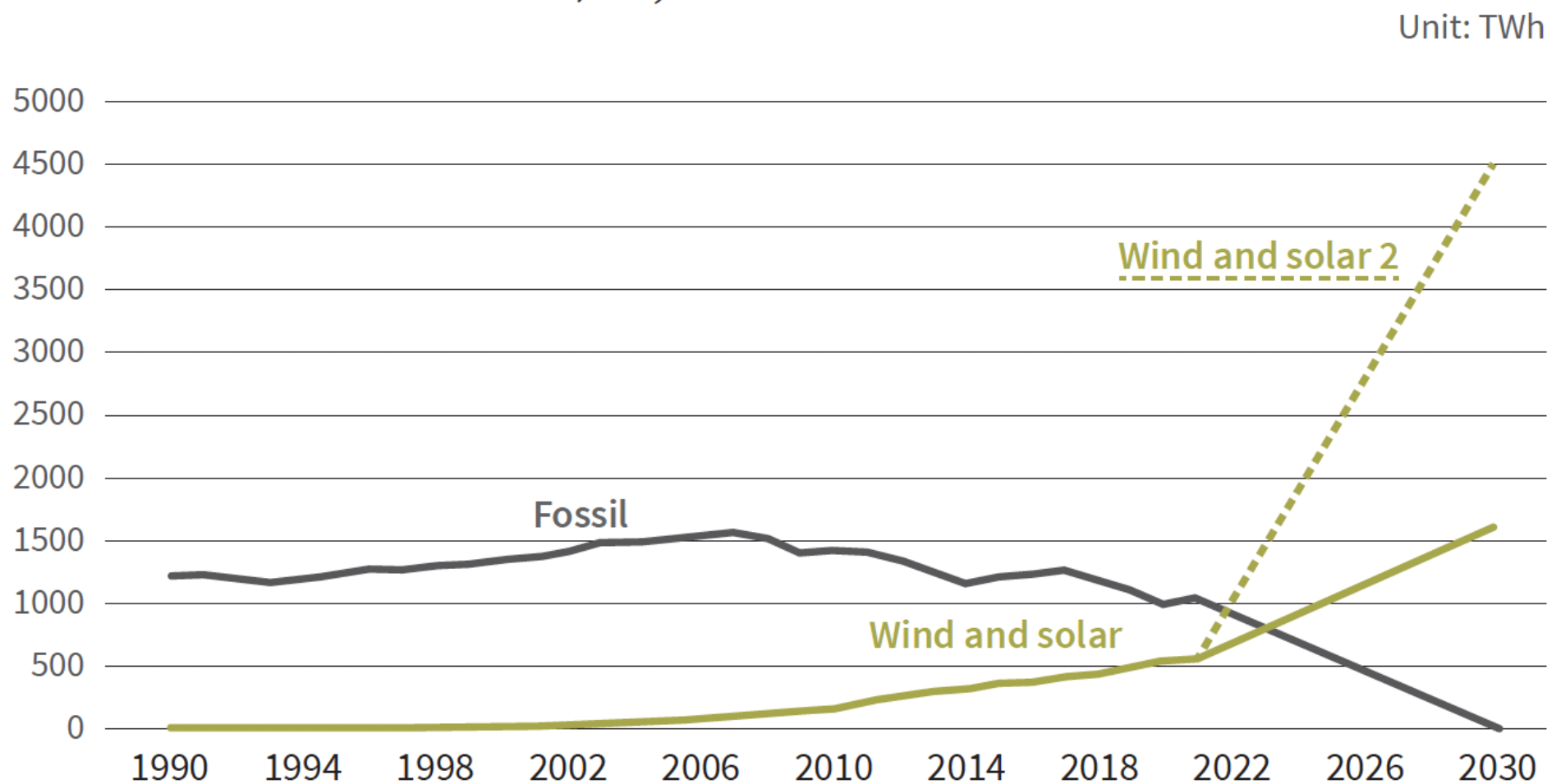
Figure 42 | Phasing-out fossil electricity generation



Source: Own elaboration based upon European Commission

... AND TO MOBILITY AND HEATING&COOLING DECARBONISATION (THROUGH ELECTRIFICATION)

Figure 18 | Evolution of gross electricity generation (decarbonisation and electrification) EU, 1990-2030



Brussels, 8.7.2020
COM(2020) 299 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS

Powering a climate-neutral economy: An EU Strategy for Energy System Integration

EN

EN

Brussels, 11.3.2020
COM(2020) 98 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS

A new Circular Economy Action Plan
For a cleaner and more competitive Europe

EN

EN

Energy system integration, including electricity market redesign, is the basic principle of energy system transformation: *“Energy system integration – the coordinated planning and operation of the energy system ‘as a whole’, across multiple energy carriers, infrastructures, and consumption sectors – is the pathway towards an effective, affordable and deep decarbonisation of the European economy in line with the Paris Agreement and the UN’s 2030 Agenda for Sustainable Development.”* (EC, 2020). Nowadays, considering commercially available techniques and their respective costs, energy system integration can be best achieved through electrification of mobility and heating/cooling. Therefore, it takes place predominantly at local level.

**INSTITUTIONAL
LEVELS**

