



# Future Trends in Electricity Markets

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# Agenda

- Integrating markets
- Support schemes
- British examples

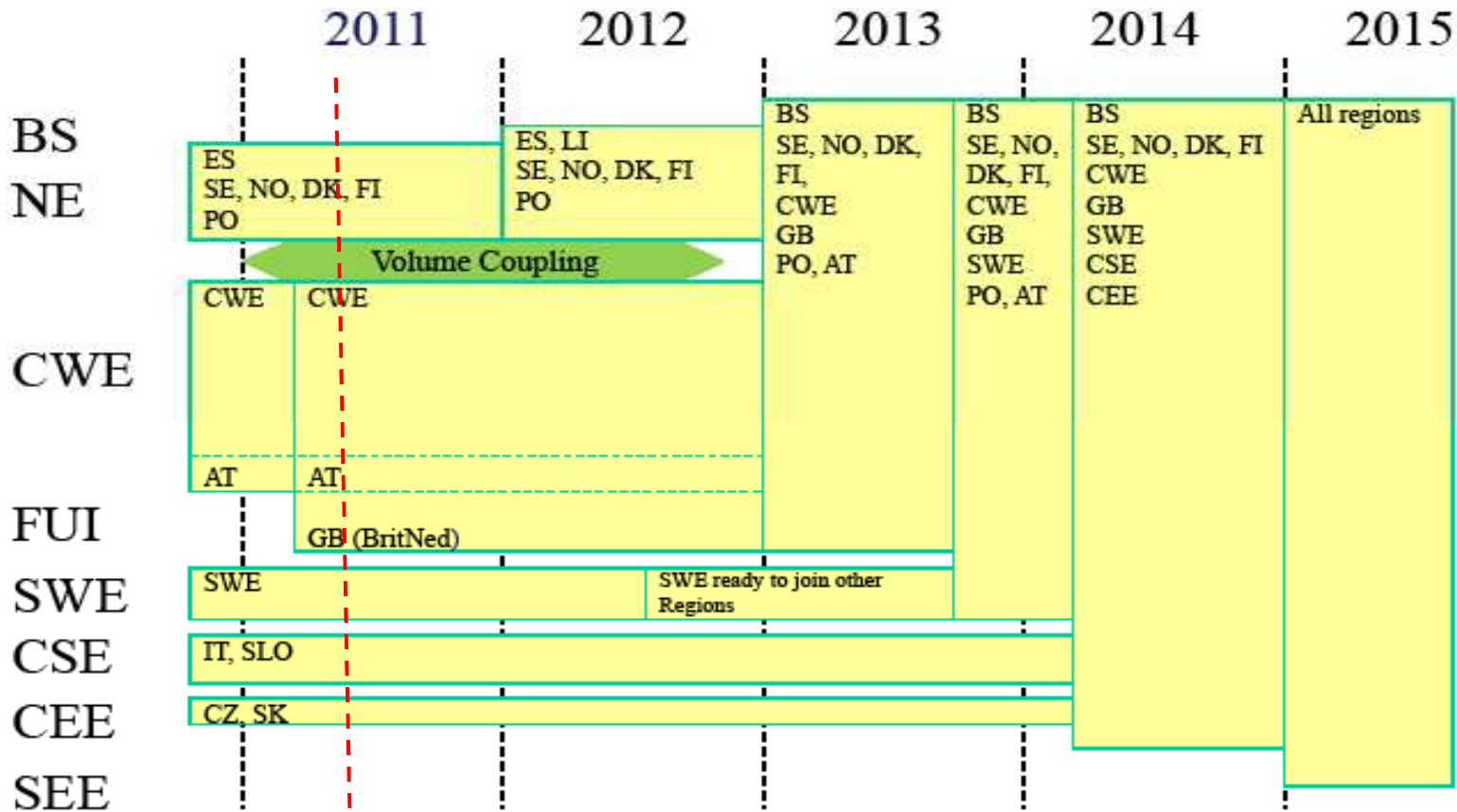
# Integrating wind

- Massive increases in wind generation creates new challenges and opportunities
- Regulatory role to protect customer interests and promote sustainable, secure, competitive markets
- CEER work:
  - 2009/10 to establish overall regulatory agenda – e.g. level playing field
  - 2010/11 to assess RES support schemes
  - 2011 (ongoing) to address impacts of non-harmonisation

# Market arrangements for wind

- Wind generation is more predictable closer to real-time – markets arrangements should encourage wind generation to integrate into the market.
- With respect to the issues addressed
  - Broad support for close to real time gate closure (~1hour);
  - General support for electricity target models;
  - Significant push to make intraday trading a priority;
  - Concerns about conservative approach to capacity calculation;
  - Most agree that wind should be subject to balancing obligations.
- Further work –incentives for conventional generation?
- Integrate into mainstream ACER work

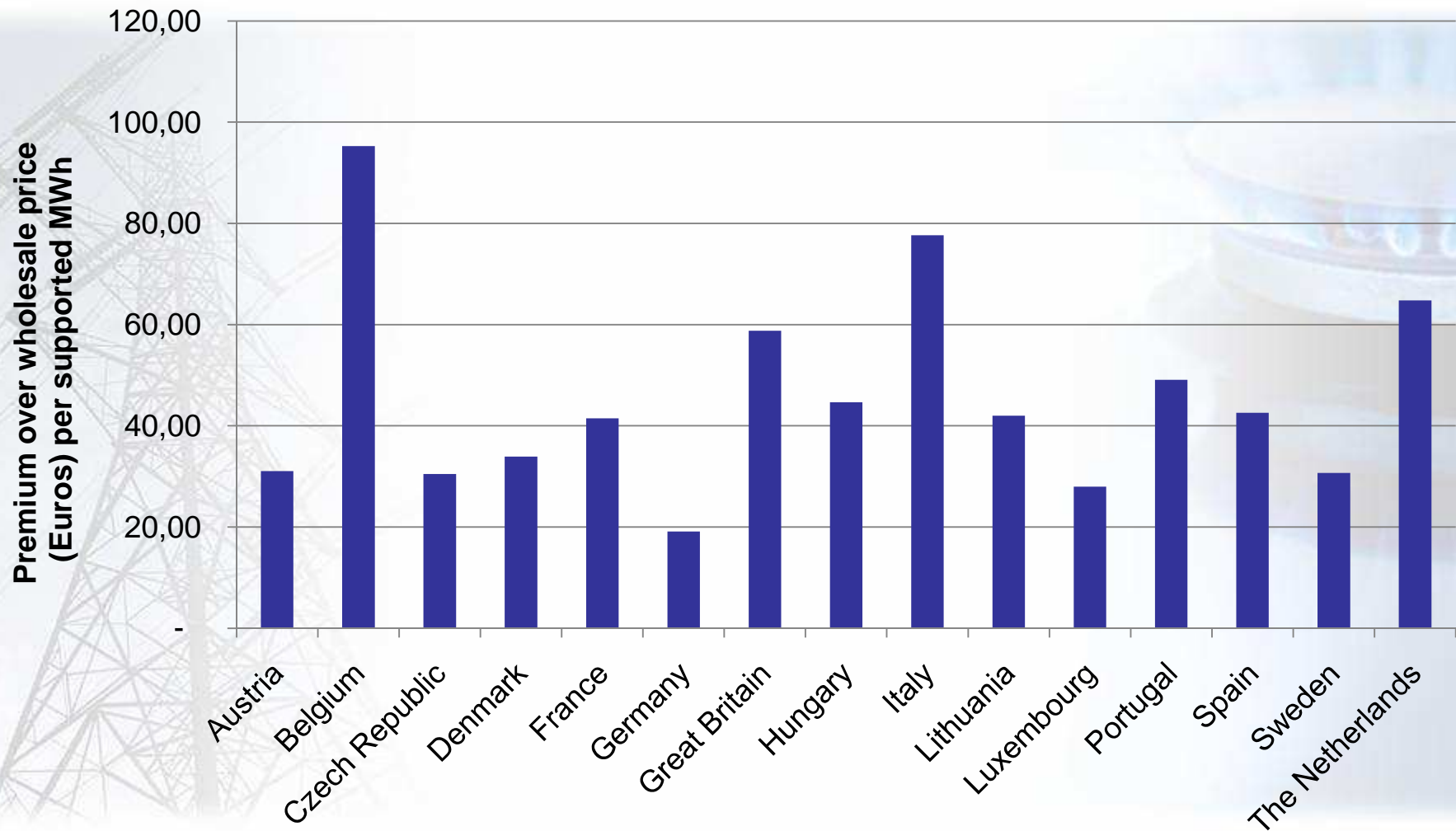
# Preliminary Roadmap



Open planning issues: CEE, SEE, Ireland (SEM), CH and the joining of SWE to the other Regions

# Example support schemes

## Onshore wind, 2009



Source: CEER Report on Renewable Energy Support in Europe, May 2011

# British market reforms

1

**Carbon Floor price**

2

**Emissions Performance  
Standard**

3

**Low carbon FIT**

4

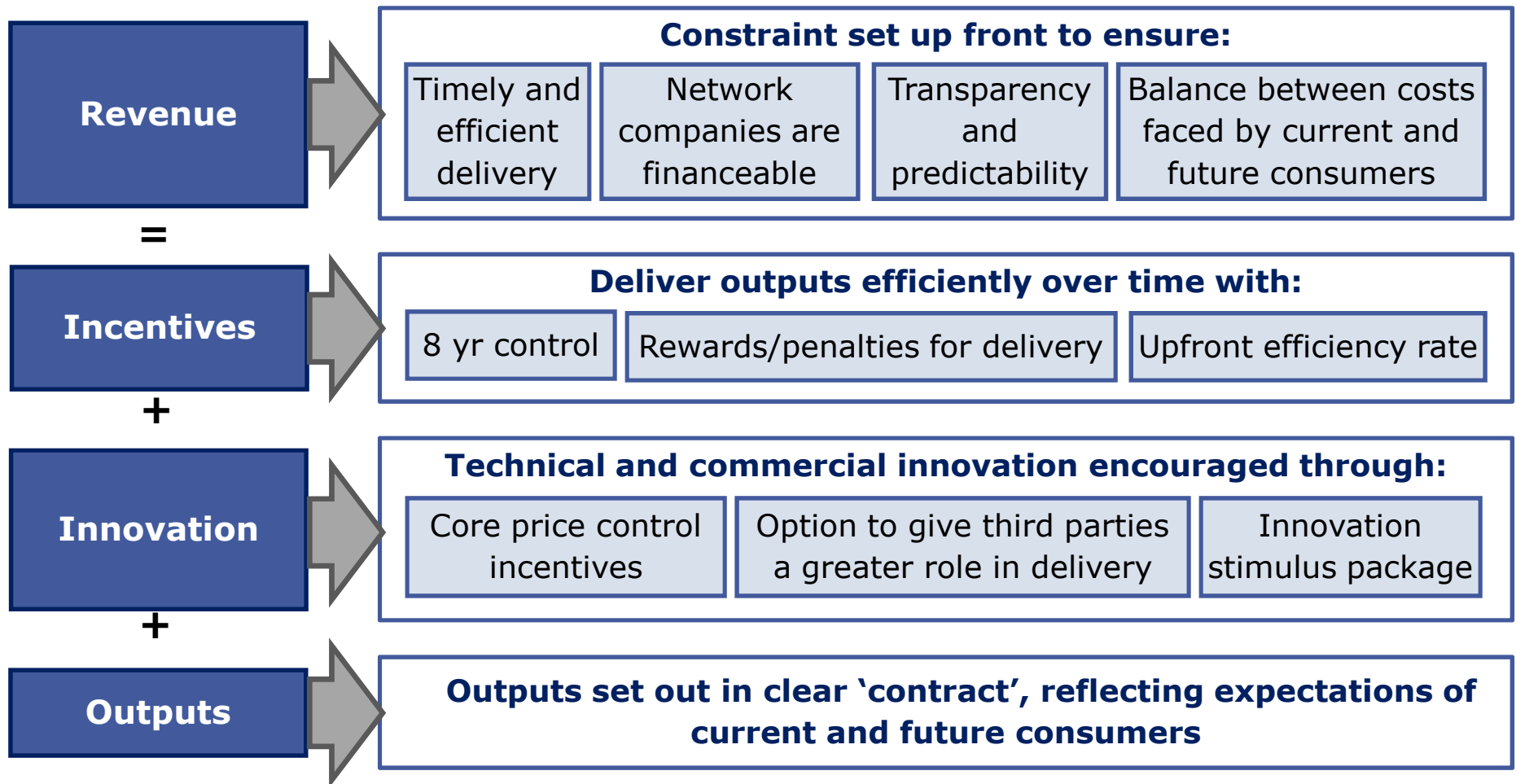
**Capacity Credit**

Consultation: December 2010  
White Paper expected: June/July 2011

## Ofgem workstreams - examples

- Electricity cash-out
- Gas emergency arrangements
- Retail market review
- Liquidity review
- Smart meter implications
- Demand side
- FIT administration
- Renewable heat incentive
- RIIO
- Offshore
- Interconnector investment
- Transmission charging

## RIIO: A new approach to network regulation



The background of the slide features a faded image of a high-voltage electricity pylon on the left and a close-up of a gas burner with blue flames on the right.

Thank you for your attention!

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