



ELECTRICITY MARKETS: NEW DESIGN? NEW ROLES FOR THE STATE AND REGULATORS? OR BOTH?

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ELECTRICITY MARKET DESIGN: TRADITIONAL AND NEW CONSIDERATIONS

Short term objectives

- Efficient allocation of available capacity
- Competition (avoid exercise use of market power)
- Fairness (avoid excessive profits)
- Efficient allocation of load

Long term objectives

- Adequate investment incentives to ensure adequacy
- Adequate investment incentives to decarbonize the electricity mix
- Adequate incentives to electrify (decarbonize energy uses)

How does the recent regulation proposal address those ?

NEW ROLES FOR THE STATE AND REGULATORS ?

ACER website:

The European Union Agency for the Cooperation of Energy Regulators (ACER) was established in March 2011 by the Third Energy Package legislation as an independent body to **foster the integration and completion of the European Internal Energy Market** for electricity and natural gas.

Also ACER website:

Our overall purpose is to **achieve a transition** of the European energy system **in line with political objectives set**, reaping benefits of increased energy market integration across Europe, and **securing low-carbon supply at least possible cost for European businesses and citizens**.

MISSION DRIFT OR A NECESSITY ?

Common concerns about mission expansion of regulatory agencies

- Accountability
- Democratic legitimacy / independence

But climate transition is necessarily transversal and systemic:
requires policy coordination across different areas and rethink of
regulatory remit

- Who takes care of those ?