A large white wind turbine is positioned on the left side of the slide, set against a bright blue sky with scattered white clouds. The turbine's blades are partially visible, extending towards the center. The background is a gradient of blue, with abstract geometric shapes like triangles and polygons in various shades of blue and white on the right side.

cerre

Centre on Regulation in Europe

Ambitions for Europe 2024: Rethinking Energy Regulation

13h – 14.50

24 September 2019
Brussels

cerre.eu

Improving network and digital industries regulation

Agenda

1. Introduction of the Energy Ambitions by Professor Michael Pollitt
2. General reaction by the European Commission (Catharina Sikow-Magny)
3. Commentary by MEP Carlos Zorrinho
4. Discussants to take the floor on three dimensions (Markets, Infrastructure and Governance)
5. Debate per area with all the participants
6. Concluding remarks by CERRE

Introductory remarks

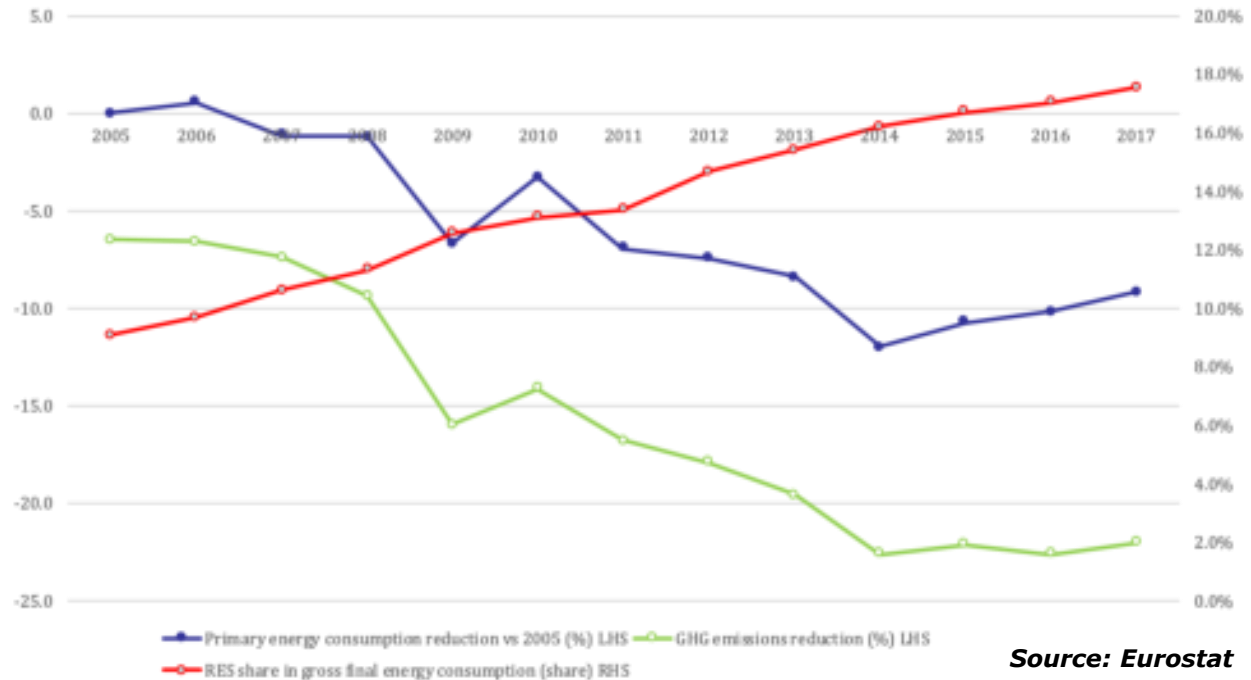


Michael Pollitt

Prof. Judge Business School, University
of Cambridge & Academic Director,
CERRE

PROGRESS ON EU 2020 ENERGY & CLIMATE TARGETS

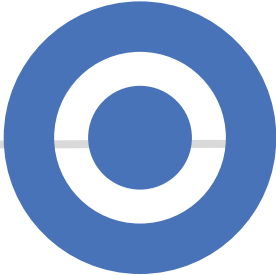
GHG and RES targets will likely be met. BUT non-negligible probability that it will be missed as it will require a 13% reduction in primary consumption on 2005 level by 2020.



Source: Eurostat

MARKETS (selection of key areas)

Carbon Pricing



Prices are still too low and not comprehensive

Future Electricity of Market Design



More or less markets/prices/vertical separation?

The Future of Gas (and RE-Gases)



What is the future of gas? What will happen with its infrastructure?

Consumer Agenda



New Actors
New roles
New consumer needs

INFRASTRUCTURE (selection of key areas)

Control of Sunk Costs



More guidance on how to control overall network costs?

Setting network tariffs (gas & electricity)



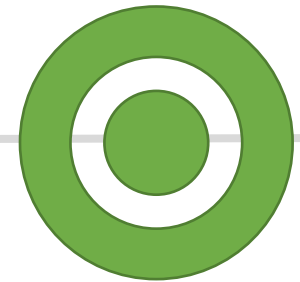
More guidance on tariff methodologies?

Cooperation TSOs & DSOs



Where should the effective TSO-DSO interface be?

Increase network interconnection



How to foster Intra-EU interconnections?

GOVERNANCE (selection of key areas)

Review current structures



E.g. on data governance, EU wide system operation?

Monitoring distributional effects



Creating a new EU Observatory?

New framework for EU energy business



Want new players in aggregation and flexibility at EU level

Promotion of innovative regulatory practices



Still wide variation in competence and independence of NRAs

BIG THEMES

Carbon and heat markets need to be aligned with electricity and gas markets

Reliance on much **more renewables requires much higher levels of institutional and market alignment**

In a low demand growth environment **network fixed costs and how to pay for them require much more attention**

Energy and climate policy must **pay much more attention to distributional issues**

The **biggest relative gains from EU policy remain at the European periphery** and this must be a key focus

Reaction by the European Commission



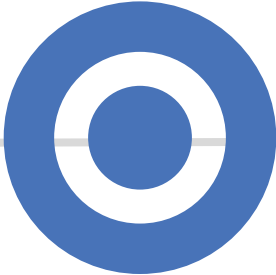
Catharina SIKOW-MAGNY
Head of Unit, Retail Markets, Coal & Oil,
DG ENERGY, European Commission



DEBATE ON MARKETS

MARKETS (selection of key areas)

Carbon Pricing



Prices are still too low and not comprehensive

Future Electricity of Market Design



More or less markets/prices/vertical separation?

The Future of Gas (and RE-Gases)



*What is the future of gas?
What will happen with its infrastructure?*

Consumer Agenda



New Actors
New roles
New consumer needs

**Commentary by
Member of the
European
Parliament
Carlos Zorrinho**



**MEP Carlos Zorrinho
ITRE Committee**

INFRASTRUCTURE (selection of key areas)

Control of Sunk Costs



More guidance on how to control overall network costs?

Setting network tariffs (gas & electricity)



More guidance on tariff methodologies?

Cooperation TSOs & DSOs



Where should the effective TSO-DSO interface be?

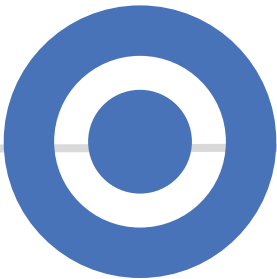
Increase network interconnection



How to foster Intra-EU interconnections?

GOVERNANCE (selection of key areas)

Review current structures



E.g. on data governance, EU wide system operation?

Monitoring distributional effects



Creating a new EU Observatory?

New framework for EU energy business



Want new players in aggregation and flexibility at EU level

Promotion of innovative regulatory practices



Still wide variation in competence and independence of NRAs



cerre

Centre on Regulation in Europe

📍 Avenue Louise, 475 (box 10)
1050 Brussels, Belgium

☎ +32 2 230 83 60

✉ info@cerre.eu

🌐 cerre.eu

🐦 @CERRE_ThinkTank

cerre.eu

Improving network and digital industries regulation