



## CERRE/MIT/CAMBRIDGE EUROPEAN ENERGY POLICY CONFERENCE

BRUSSELS, 13 SEPTEMBER 2023

CERRE, the Centre on Regulation in Europe, has partnered with The Energy Policy Research Group (EPRG) at the University of Cambridge and The Center for Energy and Environmental Policy Research (CEEPR) at MIT for the **European Energy Policy Conference** that took place in Brussels on the 7<sup>th</sup> and 8<sup>th</sup> September. The conference was held under the Chatham House Rule and dealt with a number of very timely and interesting policy discussions with senior representatives from the European Commission's DG ENER, the Agency for Cooperation of Energy Regulators (ACER), and RWE, as well as academics from MIT, Cambridge and CERRE.

### Policy roundtable on the electricity market design

The discussions addressed the current reform proposals on Electricity Market Design, analysing potential long-term effects and obstacles in the implementation of individual measures. While participants acknowledged the necessity of emergency measures as a temporary relief, they also highlighted the disruptive consequences of hasty measures and called for a better understanding of the role of consumers. Democratic participation should be fostered in the development of transmission capacity, while digitising the energy system and getting up-to-date billing and metering data would enable consumers to play their part. The panel further underlined the need to better link the wholesale to the retail market, identifying contracts for differences that best serve consumers, while incentivising investment in infrastructure.

### The future of renewable gas

As the EU is increasingly moving towards renewable gases, including hydrogen, to decarbonise the energy system, the future of renewable gases cannot be seen in isolation. Sector integration, especially with regard to emerging technologies like hydrogen remains the key success factor. Dynamic regulation should foster for more flexibility. This will provide business and investment certainty while leaving room for adaptation in a nascent, but important market.

### Transatlantic Perspectives on Green Investment Policies

Participants discussed pathways to enhancing the EU's strategic autonomy on sustainability and the green economy, as well as building capacity to produce technologies domestically via the Net Zero Industry Act (NZIA). While the NZIA is being framed as a response to the US's Inflation Reduction Act (IRA), speakers disagreed and viewed the US's IRA as a response to the EU's Green Deal instead. Panellists did however agree on the necessity to strike a balance between harmonised EU legislation and a Member State's choice to determine their energy mix, based on geographical position and technological state. The panel also outlined how subsidies could result in higher taxes in the long term, but incentivising increased investment of the private sector would offset some of these burdens on citizens. Finally, lack of talent and resources remains a significant challenge to domestic production, one that is unlikely to be solved, and especially not in the next ten years.

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