

REKK Regional Energy Policy Forum

## **The New Electricity Market Design - How to design PPAs creating a healthy investment environment in the EU?**

November 7, 2023

**Budapest Music Center (1093 Budapest, Mátyás u. 8.)**

Driving power sector investments becomes a key question under the proposed reform of the electricity market design. Power Purchase Agreements (PPAs) can contribute to the main objectives of the new market design: empowering consumers, creating predictable energy prices and encouraging investment in renewable energy. In addition, the Commission proposes the use of contracts for difference (CfDs) to support infra-marginal and renewable energy producers, to protect consumers from high price volatility, and to channel additional revenues to consumers in case of high prices. Not surprisingly, the Commission also wants to strengthen the role of futures markets, which can also be a market-based instrument to increase long-term price predictability.

These instruments can be complementary, are not always easy to fully delineate, and will have a strong impact on each other and on the functioning of the EU electricity market. They may also have negative effects. In this event, we will discuss with our guests the similarities and differences between these long-term instruments, the challenges they pose, the measures to be taken to encourage investment in renewables in the context of the proposed reform of the EU electricity market, and how adequate financing can ensure new investments in renewables and flexibility.

### **The questions we would like to address in the regional forum are the following:**

What measures will drive renewable energy investments under the proposed reform of the EU electricity market?

How will flexibility services be provided over the long term? How will new technologies, such as battery storage enter the markets? What is the role of auctions in such a system? Should bundled auctions with storage or other tools be applied?

What can Central and Eastern European (CEE) countries learn from each other and from other EU member states to increase the number of successful PPA projects?

Gas is much used for flexibility in CEE countries. What will be the role of gas-based power generation in this system? How long can existing units sustain economic operations? Do we need capacity payment schemes for their lifetime extension?

What are the good solutions to mitigate the negative system impacts? How could risk-hedging of actors (both buyers and sellers of CfDs) be achieved? What is the role of financial CfDs in this risk mitigation process?

## AGENDA

- 8:30 – 9:00 Registration
- 9:00 – 9:10 WELCOME by László Szabó, Director of REKK
- 9:10 – 9:25 OPENING SPEECH by Pál Ságvári, Vice President for International Affairs of the Hungarian Energy and Public Utility Regulatory Authority
- 9:25 – 9:40 KEYNOTE SPEECH by Łukasz Koliński, Head of unit for renewables and energy system integration policy in the Directorate-General for Energy of the European Commission (*online*)
- 9:40 – 10:40 PANEL DISCUSSION 1: ACADEMIC VIEWS ON LONG-TERM PPAS IN THE EU AND THEIR IMPACT ON THE POWER MARKETS
- Pedro Linares, Professor, IIT-Comillas Pontifical University
- Monika Morawiecka, Senior Advisor, The Regulatory Assistance Project (RAP)
- Łukasz Koliński, Head of unit, European Commission (*online*)
- Moderator: Georg Zachmann, Senior Fellow, Bruegel
- 10:40 – 11:00 Q&A WITH THE AUDIENCE
- 11:00 – 11:20 COFFEE BREAK
- 11:20 – 11:40 PPAs AND CFDs IN THE CENTRAL AND EASTERN EUROPEAN COUNTRIES – INTRODUCTION TO THE 2<sup>ND</sup> PANEL DISCUSSION by László Szabó, REKK
- 11:40 – 12:40 PANEL DISCUSSION 2: FINANCING OF THE REQUIRED NEW INVESTMENTS IN RES AND FLEXIBILITY IN THE CENTRAL AND EASTERN EUROPEAN REGION
- Valerio Capizzi, Head of Energy for EMEA at ING (*online*)
- Zsolt Jamniczky, Deputy CEO, Customer Solutions, E.ON Hungaria Zrt.
- Mihály Darida, State Aid and Energy Lawyer, MVM Zrt.
- István Pócs, Country Manager for Hungary, EDP Renewables Hungary Kft.
- Moderator: László Szabó, Director, REKK
- 12:40 – 12:50 Q&A WITH THE AUDIENCE
- 12:50 – 13:00 CLOSING REMARKS by László Szabó, REKK
- 13:00 – 14:00 BUFFET LUNCH

Participation fee: HUF 25.000 (The [REKK Event Card](#) ensures discounted entry to REKK events)  
Participation is free for students and teachers of the Corvinus University of Budapest.

Please register [here](#).