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 Agency for the Cooperation  
of Energy Regulators

## **2.4 Coordinating State intervention in generation adequacy**

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**Florence Forum  
3-4 March 2016**

- Generation and System adequacy assessment should be based on a common, transparent and harmonised assessment methodology, in order to ensure *that any local or national intervention (e.g. CRM) in generation adequacy is justified*
- This methodology should take account of the contribution of cross-border exchanges to national adequacy concerns\* and be able to answer the following question: 'to which extent can a MS rely on cross-border exchanges in periods of scarcity?'
- This contribution is *de facto* limited by the fact that:
  - *Cross-border transfer capacities are usually considered as an adjustment variable to ensure network security within each control area; and*
  - *In periods of scarcity, TSOs have a natural inclination to keep adequacy resources 'at home'*
- ➔ Some fundamental changes are necessary to change this 'way of thinking'
- A complete alignment of adequacy standards across Europe may not be necessary. In any case, Member States should transparently report on the indicators they apply and the targeted adequacy standards they aim for
- Any state intervention should always be seen as a **last-resort and transitory** measure and be accompanied by a **credible plan** to address the various market, regulatory and policy failures at the origin of adequacy concerns. MSs shall demonstrate that the type of State intervention chosen is the one which minimises distortions to the market

\* while most national adequacy analyses take into consideration some degree of imported energy from neighbouring countries, so far, there is no harmonised methodology to assess the contribution of cross-border flows to national adequacy concerns in a transparent and efficient manner

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**Thank you for  
your attention !**