



*CRMs Emerging Views**

3-4 March 2016

* The content of this presentation represents the informal, working-level views of DG Energy services and is not binding as regards to the final proposals on the energy market design initiative or other related initiatives.

CRM framework - objectives

Enabling markets to deliver adequacy

Better framing governmental interventions

- ***Targeted, necessary, least distortive,..***

Resource needs to consider foreign contribution

- ***Regional generation adequacy assessments***

Efficient employment and remuneration of resources

- ***CRMs to enable cross-border participation***
- ***Harmonised design of CRMs***

Transparency about targeted level of adequacy

- ***Coherent and consistent adequacy standards***

Consultation response

Wide support for an EU framework

Importance of a regional/EU-wide generation adequacy assessment

Harmonised but not unified adequacy standards

Divided views about the need for CRMs

Importance of a cross-border framework

Generation adequacy assessments

Updated methodology

- ***Take appropriate account of interconnection***
- ***Intermittent RES***
- ***Probabilistic approach***

Right geographical coverage

- ***EU wide but granular enough to establish the need for national/zonal adequacy measures***

Appropriate time horizon

- ***Day-ahead → 10 years?***

Responsibility

- ***National TSOs / RSCs / Entso-E?***

SoS Standards

MS to establish SoS standards

- ***Clarity to stakeholders***
- ***Reflect acceptable cost of involuntary disconnections (VoLL)***

Range of standards at EU level

- ***Common methodology to calculate and express standards***

Cross-border CRMs

CB participation is possible

- **Explicit participation of interconnectors and/or foreign capacity**

No interference with physical flows

- **Primacy of 'market coupling'**
- **No delivery obligation across border. Market prices to guide flows in times of system stress**

TSOs play an important role

- **Calculate and allocate capacity for CB participation**
- **Verify availability of resources**
- **Transparent protocols for simultaneous scarcity situations**

More information: http://ec.europa.eu/competition/sectors/energy/capacity_mechanisms_working_group_6_draft.pdf

Harmonised adequacy measures

Align design features of CRMs – 'blue prints'

- ***Limiting market distortions***
- ***Facilitating cross-border cooperation***