Meeting minutes for EMT

Minutes date:

Meeting with Compagnie Nationale du Rhone (CNR)
06/02/2023 at 15.00, ENER building, date, physical and online meeting

1. Context of the meeting
Review of the electricity Market Design

2. List of points discussed
2.1. Presentation of CNR activities

2.2. Electricity Market design
CNR hedge around 70% of its expected electricity generation on the forward market (up to 3 years ahead), with the remaining 30% being hedged on the short-term and spot market according to actual production levels.

On the short-term market:
CNR also participates to the short-term market by providing some flexibility: despite producing along-the-river, CNR has some flexibility capacity to shift part of their production from offpeak to peak hours (by varying the intensity usage of the hydro generators). CNR considers that the current short-term market works well, but is worried about the implementation of 15 min timeframe, for which prices will be more difficult to forecast by models due to increased complexity.

On the long-term market:
- PPA: difficulty to find industrials interested in buying over the long-term and with a fixed level of production - which does not necessary corresponds to the consumption profile.
- CfDs: CNR advocates for CfDs with a wide range between the cap and floor levels. In their view, a CfDs with a unique strike level would completely alter the trading
behaviour of market participants, and dry out the liquidity from the forward market. CNR also explains that the CfDs level would be difficult to define, because CNR is also providing other services (navigation, agro, etc) in exchange for the electricity revenues.

- Forward market: the ARENH mechanism is damaging the liquidity on the French fwd market

3. Conclusions/recommendations/opinions and next steps
CNR intends to participate to the public consultation on the review of the Electricity Market Design

4. List of participants
CNR:

ENER: