ENER/539 - Meeting with Enel

Meeting date and place

Meeting held on 23/11/2022 10:00 Director's office

Participating organisation(s) representative(s)

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<th>ENEL SpA</th>
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Main issues discussed

- The existing electricity market design is not suitable for a market with large RES capacities. It was suitable for a market where CCGT was the main technology. It is not suitable for customers either. They argue that not many households and SMEs are not able to sign long-term ('LT') contracts and they believe this is essential.

- Retailers should be obliged to offer LT contracts to consumers and prudential rules should be imposed on them. To this effect, they should sign PPAs to back this obligation.

- LT contracts should be of a 5 to 10 year duration

- Solving the barriers related to PPAs will only help to cover around 30% of the electricity generated, while we expect that around 60-70% of the electricity will be based on RES. That is why the obligation on retailers is essential.

- To address the issue today, LT obligations should apply to new and existing capacity.

- They propose to create a PPA platform. There will be a central buyer and the suppliers to the platform will offer consumption profiles. This is achieved through auctions of RES together with storage.

- The model can be more centralized or decentralized depending of the characteristics of each country

- It is essential that PPA contracts should be more standardized.

- In order to promote PPA they propose

  - To reduce cost of guarantees
  - Promote standardization

- For capacity mechanisms, they think that demand side response and storage will become more prominent and there will be less of a role for CCGT.

- They believe there is no need to introduce environmental requirements in the capacity mechanisms ('CM')

- CM are all about security of supply. They argue that if we do not want to have fossil fuels we should say it clearly rather than modifying the CM.

Directorate or unit

ENER.C

Internal participants
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<td>Ms SIKOW-MAGNY Catharina</td>
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**Author(s) of minutes**

**Validator and validation date**