



UiO • **Scandinavian Institute of Maritime Law**
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Legal framework for electricity market design with offshore wind

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I - The electricity market (re-)design debate



Brussels, 13.10.2021
COM(2021) 660 final

COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Tackling rising energy prices: a toolbox for action and support



ACER's Final Assessment of the EU Wholesale Electricity Market Design

April 2022



A new EU electricity market design for a decarbonised energy system

DISCLAIMER: All opinions in this column reflect the views of the author(s), not of EURACTIV Media network.



The current crisis has shown how vulnerable the current design of the electricity market is to stress situations as well as the tremendous consequences for domestic consumers and, undoubtedly, a real risk of demand

POLITICO

Analysts decry 'energy nationalism'

August 22, 2022

Norway's record-high electricity rates have prompted calls by some politicians to cut off exports of the country's hydroelectric power. They want to preserve electricity supplies and bring rates down, but experts warn it could backfire badly and may not even be allowed.

Analysts and other critics have also likened the calls for export cuts to "energy nationalism," with newspaper *Dagens Næringsliv (DN)* editorializing over the weekend that it won't serve Norway's interests in the long run. Almost all countries are suffering under high electricity rates and record costs for all forms of energy, they note, and this is not the time for Norwegians to keep all their electricity to themselves.

Energy analysts scoff at claims that electricity exports to the UK and European continent are behind today's ever-soaring rates. Politicians' attempts to blame state power distributor Statnett also smack of



Power lines like these bring electricity into Oslo, while cables sending electricity abroad are suddenly at the center of huge controversy. PHOTO: NewsInEnglish.no/Nina Berglund



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Press release

UK launches biggest electricity market reform in a generation

REMA is a major review into Britain's electricity market design, set to ensure cost benefits of cheaper energy trickle down to consumers in the long term.

From: [Department for Business, Energy & Industrial Strategy](#), [The Rt Hon Greg Hands MP](#), and [The Rt Hon Kwasi Kwarteng MP](#)

Published 18 July 2022



Figuring out how to reform the EU's power market

Next week's emergency summit of EU energy ministers will discuss reforms, what's still not clear is just how a new energy market would work.

BY VICTOR JACK
AUGUST 30, 2022 | 3:48 PM CEST | 5 MINUTE READ

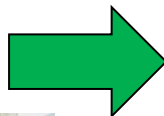


ELECTRICITY MARKET REFORM

II – Electricity market design with offshore wind (OW)

The discussion about market design regulation with OW started before 2022:

A future proof electricity market design legislation must take into account OW.



- At national level:
“*Nettet på land og til havs er ett sammenhengende kraftsystem*” (Statnett): holistic approach.



At EU level:

EU strategy on offshore renewable energy (ORE Strategy), COM(2020)741, Nov 2020.

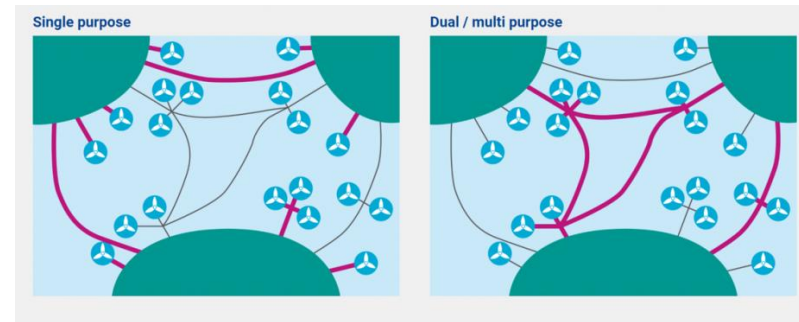
ENTSO-E

- Market rules must facilitate the **integration of RES** into the internal energy market (300GW OW by 2050);
- Market rules must also **function with a higher share of RES**. This applies to both RES produced onshore **and offshore**.

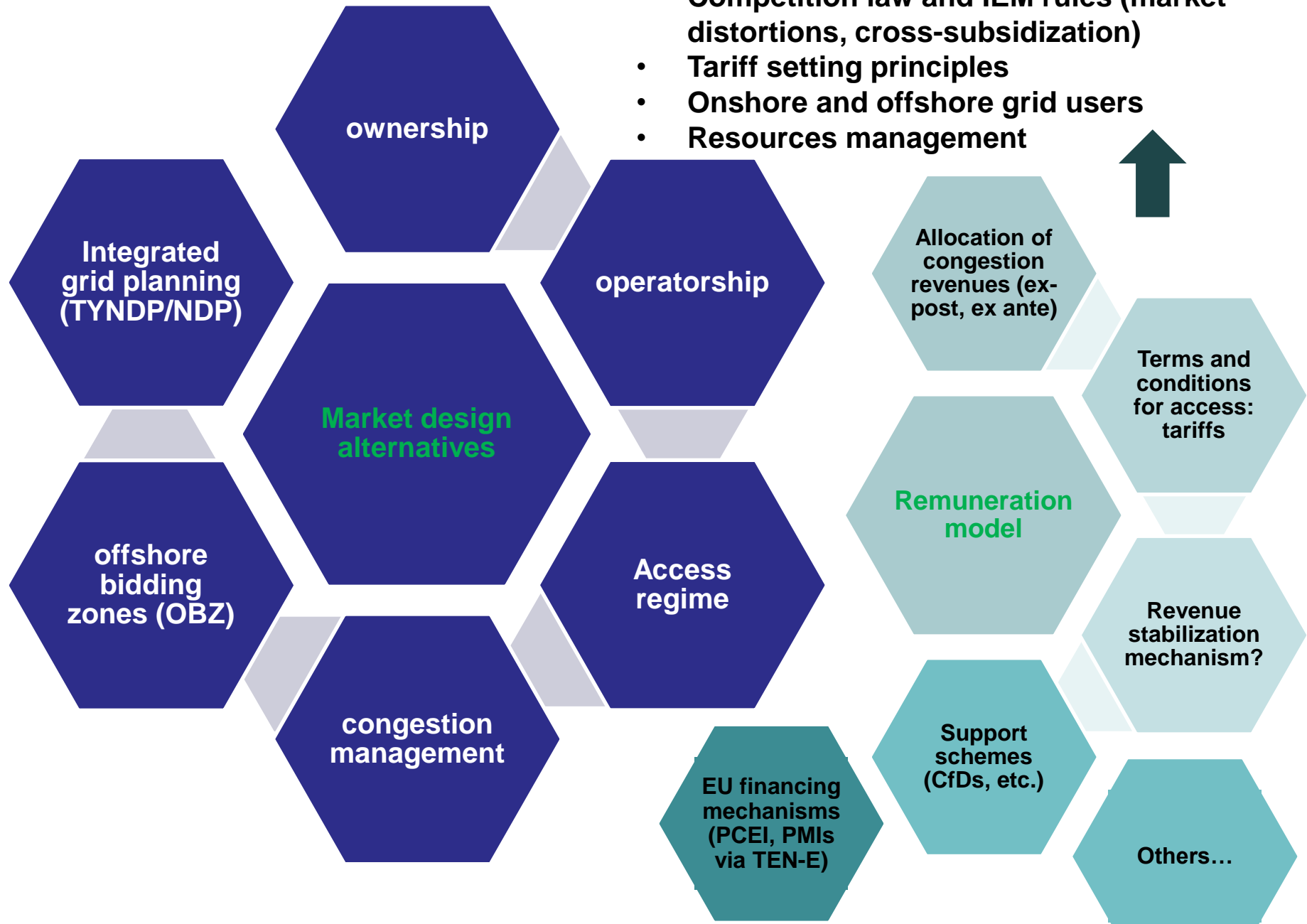


III - The building blocks of electricity market design legislation with OW

- **Distinction between grid configurations:**
 - **Radial connection:** single purpose.
 - **Hybrid cables:** hybrid solutions could also extend from **dual purpose solutions to multipurpose solutions** (across sectors, with offshore consumption)
 - Which vision to apply? Within which timeframe?
 - Legal definition
 - Legal regime, incl. bilateral and multilateral at regional level, EU/EEA and third countries.



- Distinction between:
 - **Market design** alternatives
 - **Cost and revenue sharing** models



Conclusions

- Still a work in progress, with more innovation to come (flexibility vs foreseeability in the regulatory approach) and several scenarios on the table.
- Preserve the integrity of the energy system and of the internal energy market.
- Refrain from short-sighted national approaches, but ensure cost-efficient, resource efficient and mutually beneficial solutions.
- Need for a common regulatory approach to market design with more renewables, incl. OW.

= a future proof market design with offshore wind



Thank you for your attention!

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