

As the EU's power market reform enters the home straight, EURACTIV.com takes a look at so-called "capacity mechanisms" for back-up electricity and whether they help or hinder the EU's twin objectives of supply security and decarbonisation.

Capacity markets: A necessary evil in the energy transition?

Detractors of capacity mechanisms argue they are mere state aid for dirty fossil fuels that should be eliminated as soon as possible while supporters claim they provide vital back-up in the transition to renewable electricity. The fact that both are correct is leaving Europe in a quandary.

Academic: Fossil fuel back-ups 'may be the price to pay' for renewables

It's a contradiction that policymakers are currently struggling to resolve. But fossil fuel back-up plants are probably necessary in the short term in order to give EU countries the confidence to bring in higher shares of renewable electricity, says Michael Pollitt.

Capacity markets: How much 'flexibility' for EU countries?

Mostly out of pragmatism, the European Commission has adopted a rather tolerant approach to "capacity mechanisms" - national schemes that remunerate back-up power plants - accepting that EU countries face different challenges in the energy transition.

Capacity mechanisms reform - key issues to watch

The European Commission wants to limit state aid for power plants that EU countries remunerate to remain on stand-by in case of demand peak. As negotiations on the EU's new electricity market enter the home straight, EURACTIV lists the main issues to watch out for in the debate.

Why France believes capacity mechanisms are necessary

Capacity mechanisms are crucial to secure the finances of power plants that ensure France's security of electricity supply. They are also essential to attract investments in new necessary capacity by providing visibility to the market thanks to a long-term price signal, writes Virginie Schwarz.

Source: euractiv.com