



Vortrag im Rahmen des Seminars

Forschungskolloquium | Research Seminar

Autor:

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Titel:

**The German balancing energy market reform: Analyzing effects on prices,
liquidity and competition**

Abstract:

The German ancillary market is divided into a capacity market (RLM) and an energy market (RAM). In June 2022, a reform of the balancing energy market was implemented. Before this reform, market participation required a preceding power bid in the capacity market. Following the reform, participants are permitted to place energy-only bids in the RAM, with submission windows closing 25 minutes prior to delivery. We investigate the achievement of the RAM reform in 2022 in the aFRR market, focusing on three key dimensions: price levels, market liquidity, and competition. Our empirical approach employs a counterfactual econometric analysis to assess whether the reform has achieved its intended objectives. Autoregressive effects of previous RAM prices, variables such as intraday prices, commodity prices, residual load and renewable energy forecasts, power plant outages, and the increase in (pre-qualified) BESS are considered. Furthermore, we aim to determine the effects on competition. Although bid data are anonymized, we aim to estimate representative marginal cost baselines and use these to infer relative markups as a proxy for market power.