



## ***Clean Energy and Demand Side Response***

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of the Board and CEER Vice President**

**30 May 2017, ITRE Committee Workshop**



# Agenda

- European Energy Market Context
- Flexibility in the Electricity Market
- Clean Energy Package and Demand Side Response





## CEER: Fostering energy markets, empowering consumers

- Independent voice for 35 European energy regulators
- Promotes competitive, secure and sustainable markets for consumers
- Champions sound energy regulation with stakeholders, incl. policy-makers
- Supports NRAs and encourages best practices:
  - ▶ Training Academy
  - ▶ Workshops, e.g. international events on security of supply
  - ▶ Papers, reports, benchmarking

### Putting consumers at the heart of energy policy: CEER-BEUC 2020 Vision



# European Energy Market Context

## Liberalised Markets

Competition  
Consumer choice  
Demand-side and  
prosumer growth  
at DSO level

## Renewables Growth

Dispersed and  
Variable  
Low marginal  
cost  
Often small-scale  
at DSO level

## New Technology

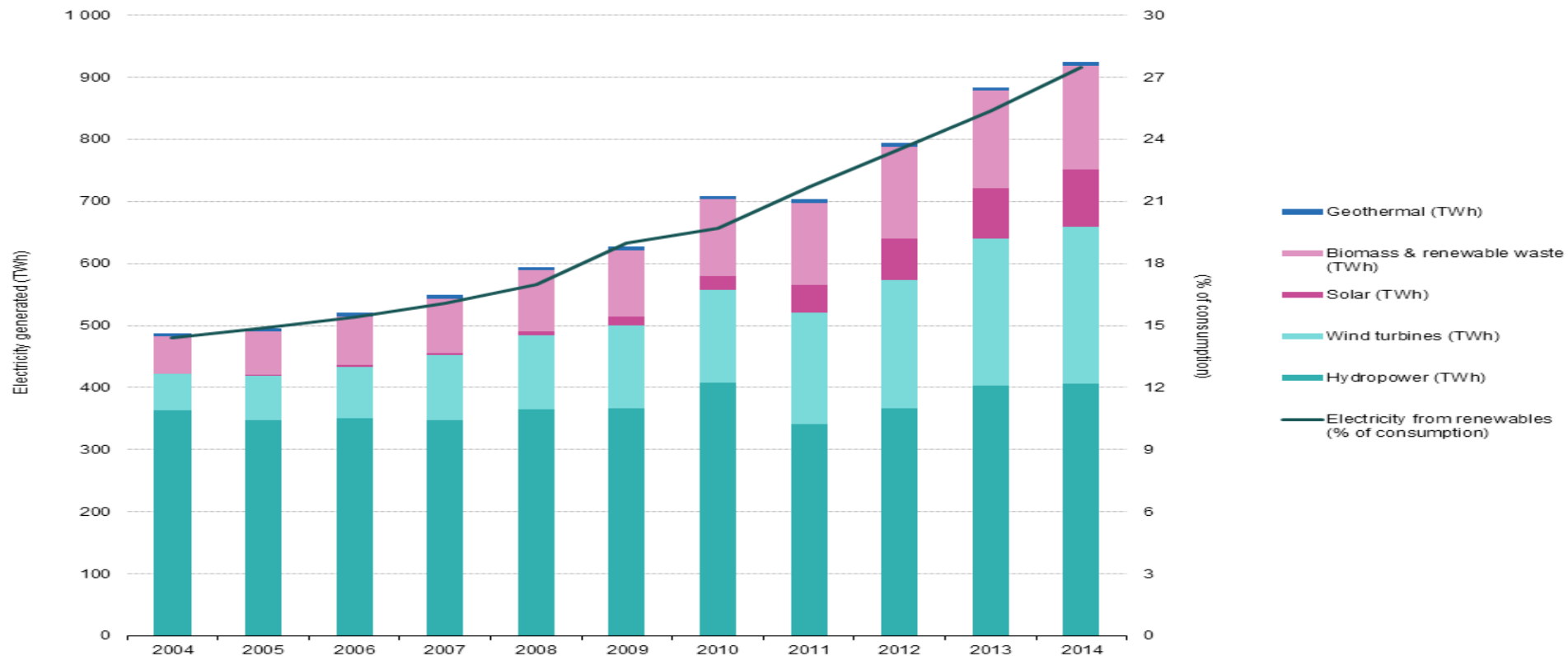
Smart Meters  
Smart Grids  
Smart Heating  
Electric Vehicles  
Internet of Things  
Data Management  
Cybersecurity



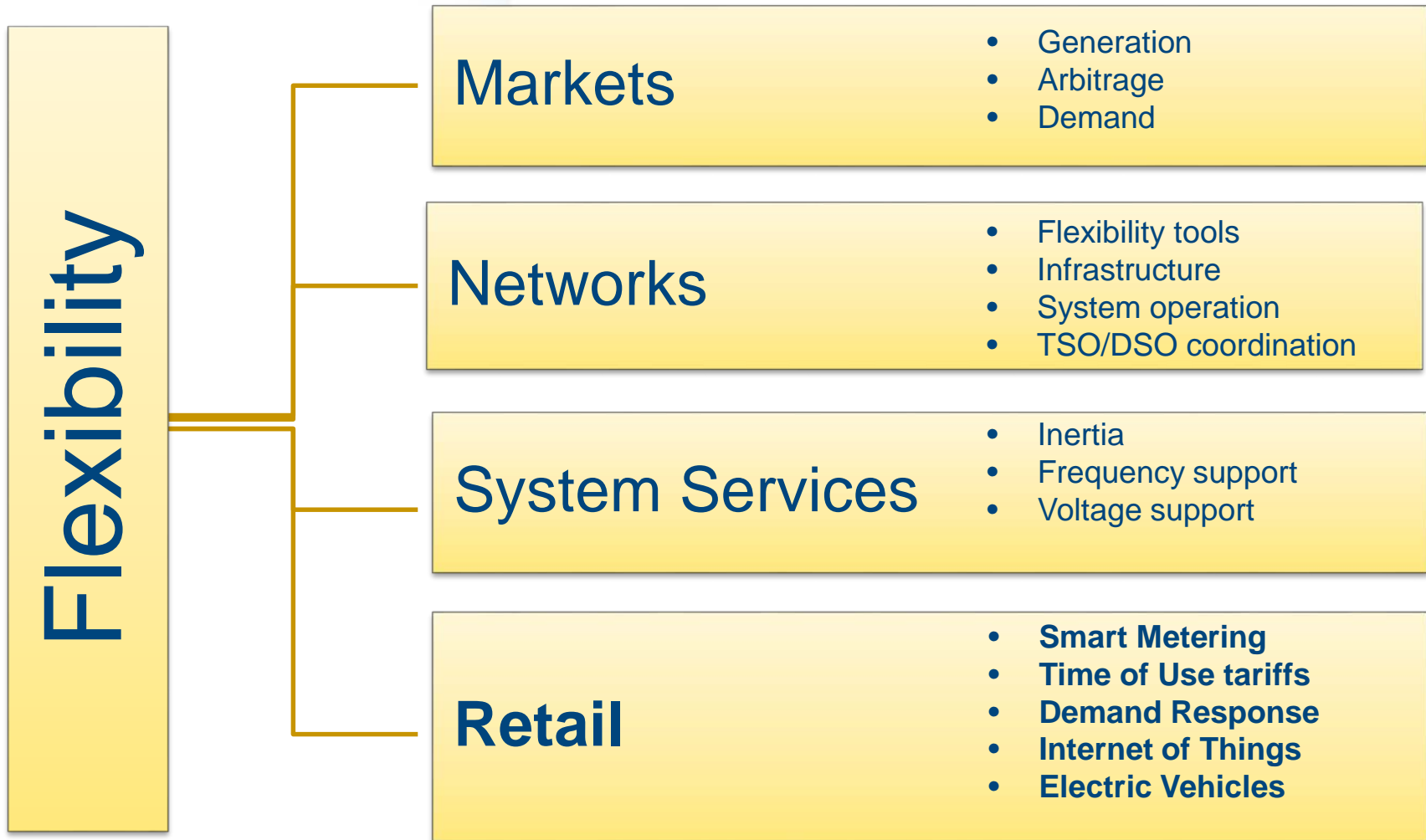


## Growth of Renewables

- Renewable generation is now over 28% of European electricity demand
- Clean Energy Package to drive circa 50% RES by 2030
- More flexibility, including demand response, can help manage high RES



## Flexibility - Demand Response



## Flexibility - Demand Response

- Demand-side response can improve market functioning and energy efficiency:
  - ▶ Better consumer engagement
  - ▶ Helps lower peak and overall demand
  - ▶ Helps lower bills and better for the environment
  - ▶ Helps manage more intermittent RES
- Typically assisted by smart meters
- Prosumers are welcome but fair cost allocation is needed:
  - ▶ Pay fair share of network and other system costs:
  - ▶ Avoid net metering





# Clean Energy Package

- Regulators' Overview Paper of 23 January broadly welcomed the Clean Energy package, highlighting issues for consideration



- Regulators publishing White Papers on specific Clean Energy proposals: RES and Wholesale, Networks and Consumer issues





# Flexibility - Demand Response

## **Regulators support the following Clean Energy proposals:**

- The principle of addressing barriers to flexibility
- The possibility for consumers to bring their flexibility - individually or aggregated - to the market for valuing flexibility
- That requirements or participation of demand side response in markets should be on the basis of the needs of markets
- That all market participants (including independent aggregators) shall be subject to balance responsibility and shall be financially responsible for imbalances they cause

## **We see scope for improvement, and:**

- Recommend a holistic approach, where all consumers have the opportunity to participate in all relevant markets for valuing flexibility, incl. through aggregation
- Recognise benefits of independent aggregation in less competitive retail markets
- MSs ensure that market access for aggregators is not foreclosed by suppliers and arrangements provide for payments for resold energy ('compensation')





## Other Relevant CEER Positions<sup>1</sup>

- Fast supplier switching - aim for 24 hours by 2025!
- RES supports, where needed, should be designed efficiently
- Integrate RES into the market incl. balancing responsibility
- Enhance EU wholesale electricity markets:
  - Day-ahead market coupling, intra-day and balancing markets
  - Reward generator flexibility: real-time scarcity pricing reflecting electricity value
- Enhance DSO network planning and TSO/DSO coordination
- DSO should be a neutral market facilitator for competitive activities
- No one size fits all Code approach for network tariffs
- Prosumers should pay fair share of costs

<sup>1</sup> [http://www.ceer.eu/portal/page/portal/EER\\_HOME/EER\\_PUBLICATIONS/CEER\\_PAPERS/White%20Papers](http://www.ceer.eu/portal/page/portal/EER_HOME/EER_PUBLICATIONS/CEER_PAPERS/White%20Papers)



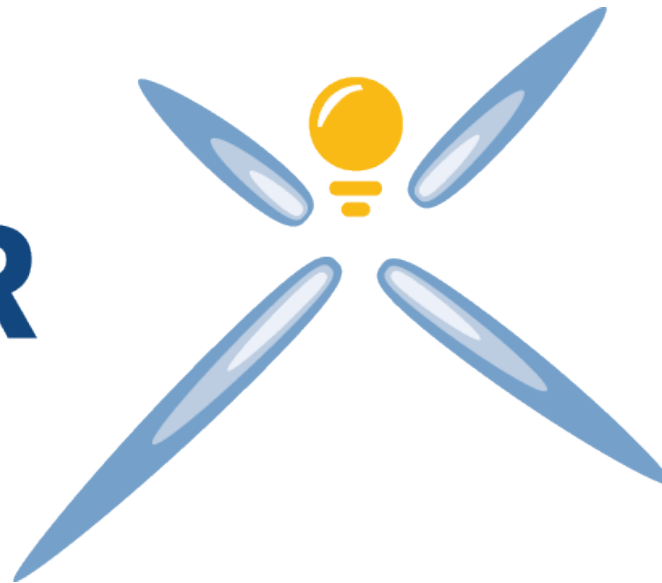
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