Demand response in the EU framework

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I. Demand Response in the Commission's Summer Package
Energy security, solidarity and trust
Integrated European energy market
Energy efficiency to moderate demand
Decarbonisation of the economy
Research, Innovation and Competitiveness
Summer Package

- Market Design Initiative
- "New Deal" for Energy Consumers
- ETS reform
- Energy Labelling
Market design communication

*Previous legislative packages opened up markets*
- Competition/unbundling rules, removing barriers for newcomers
- Regulatory oversight, harmonisation of technical rules, etc.

*Game changer: Intermittent generation*
- RES-share: from 26% to 50%
- From central to decentral
- From "base load" to variable
- Active not passive consumers
Flexible markets are needed

- RES integration requires flexible markets
- Demand response alongside better interconnections contribute to flexibility
- Markets should encompass a broader range of players including on the demand side
Obstacles for demand response

- Regulatory barriers and discriminatory rules
- Price regulation, price caps and distortive taxation
- Lack of information on costs and consumption for consumers
- Customers not sufficiently incentivized to participate (no signals and value)

... Untapped potential
Activating demand response

✔ Bring demand response at equal footing with generation => remove barriers for industrial & household DSR

✔ Incentivize consumers => Offer prices which reflect wholesale variations

✔ Market rules opening options => RES balancing responsibility, price caps

✔ DSOs to use flexibility => respond to new challenges in a cost effective manner
Empowering consumers

- Information is key => providing consumers with frequent enough data on consumption and costs
- Effective and non-discriminatory access to data for parties authorised by the consumer
- Smart metering systems with the right functionalities and smart homes
Consumer engagement and protection

- Voluntary participation in demand response programmes
- Consumer consent for sharing data (e.g. consumption and billing data)
- Data protection and security a prime concern
- Protection against unfair commercial practices
II. SGTF EG3: Regulatory Recommendations for the Deployment of Flexibility
Smart Grids Task Force

Florence Forum

London Forum

High Level Steering Committee

European Commission

Regulators

TSOs

DSOs

Consumers

Technology Supply

Expert Groups

Standards and Interoperability

Privacy and (Cyber)security

Regulation

Industrial policy
EG3: potential relations between actors

Prosumers

- Supply and Flexibility
- Mutual Exchange of Operational and Contractual Data
- Information Exchange
- Financial Adjustment Mechanism
- Grid Access & Generation Management
- BRP
- Generator
- DSO
- TSO
- Distributed Network Constraint Management
- Flexibility Procurement

Commercial domain - Supply
- Power Exchange Market

Commercial domain - Flexibility

Regulated domain
- Balancing Market and Ancillary Services
EG3: 14 Recommendations (+6 refinements)

**Consumer**
- Clear framework for domestic customers
- Timely access to data
- Secure communication infrastructure, services and utility-Telco synergies
- Smart appliances for end users

**Market**
- Contractual arrangements
- Assess the flexibility potential and maximise the value of flexibility
- Equal access to electricity markets
- Financial adjustment mechanisms
- Definition of balance responsibilities in a connection

**Regulatory**
- Incentivise grid operators to enable and use flexibility
- Improve price signals to incentivise consumer’s response
- Open and interoperable standards for interfaces
- Standardised measurement methodology for flexibility
- Communication and coordination for secure grid operation
Thank you for your attention

http://ec.europa.eu/energy/en