



# Demand response in the EU framework

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# **I. Demand Response in the Commission's Summer Package**



## Energy Union

- ü Energy security, solidarity and trust
- ü Integrated European energy market
- ü Energy efficiency to moderate demand
- ü Decarbonisation of the economy
- ü Research, Innovation and Competitiveness





# Summer Package

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

EUROPEAN COMMISSION

Brussels, 15.7.2015  
COM(2015) 340 final

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

Launching the public consultation process on a new energy market design  
{SWD(2015) 142 final}

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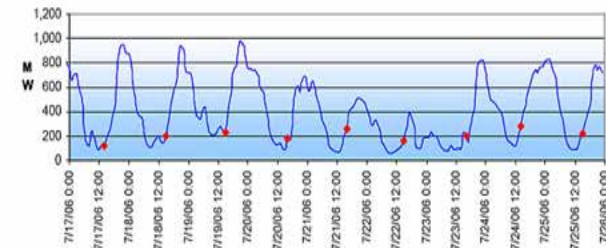
# Market design communication

## *Previous legislative packages opened up markets*

- ü Competition/unbundling rules, removing barriers for newcomers
- ü Regulatory oversight, harmonisation of technical rules, etc.

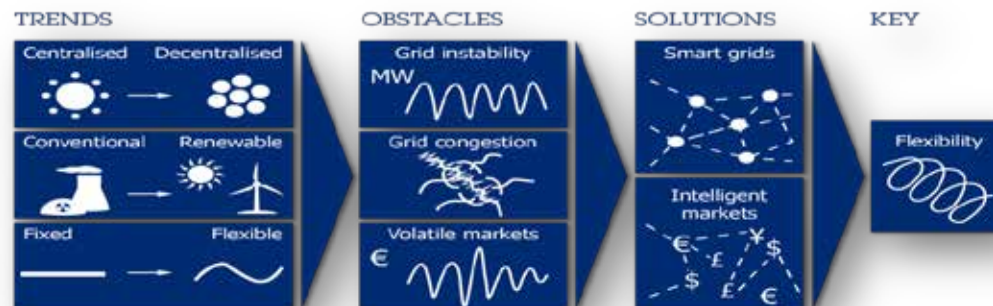
## *Game changer: Intermittent generation*

- Ø RES-share: from 26% to 50%
- Ø From central to decentral
- Ø From "base load" to variable
- Ø Active not passive consumers



## Flexible markets are needed

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



## Obstacles for demand response

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



*... Untapped potential*

## Activating demand response

- ü Bring demand response at equal footing with generation => *remove barriers for industrial & household DSR*
- ü Incentivize consumers => *Offer prices which reflect wholesale variations*
- ü Market rules opening options => *RES balancing responsibility, price caps*
- ü *DSOs to use flexibility => respond to new challenges in a cost effective manner*





## Empowering consumers

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



# Consumer engagement and protection

- Ø Voluntary participation in demand response programmes
- Ø *Consumer consent for sharing data (e.g. consumption and billing data)*
- Ø *Data protection and security a prime concern*
- Ø *Protection against unfair commercial practices*

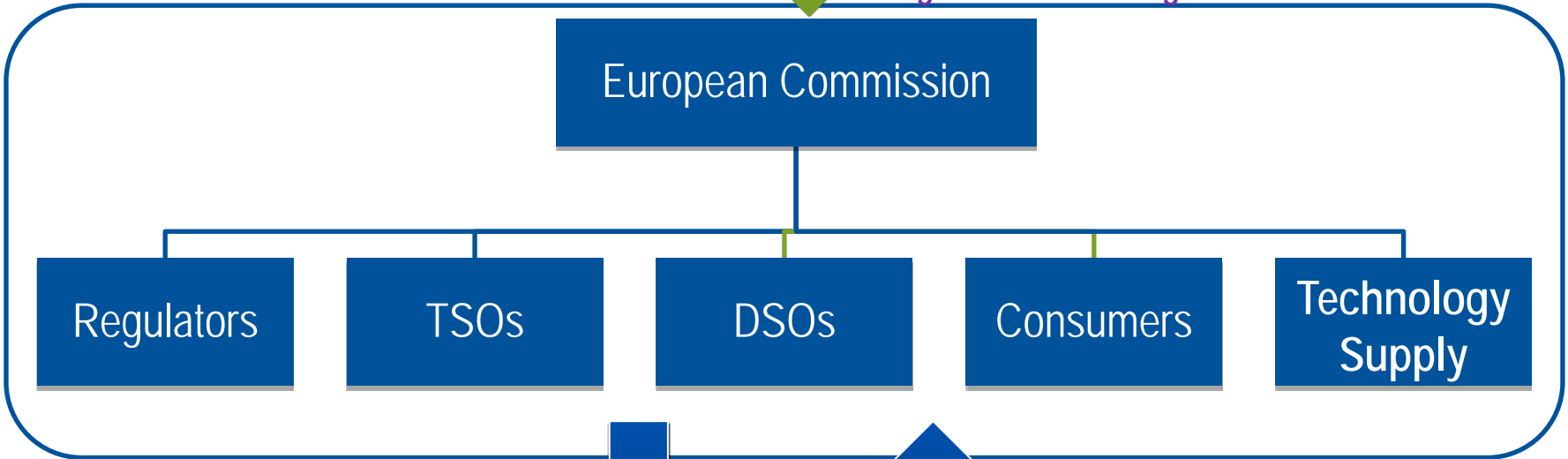




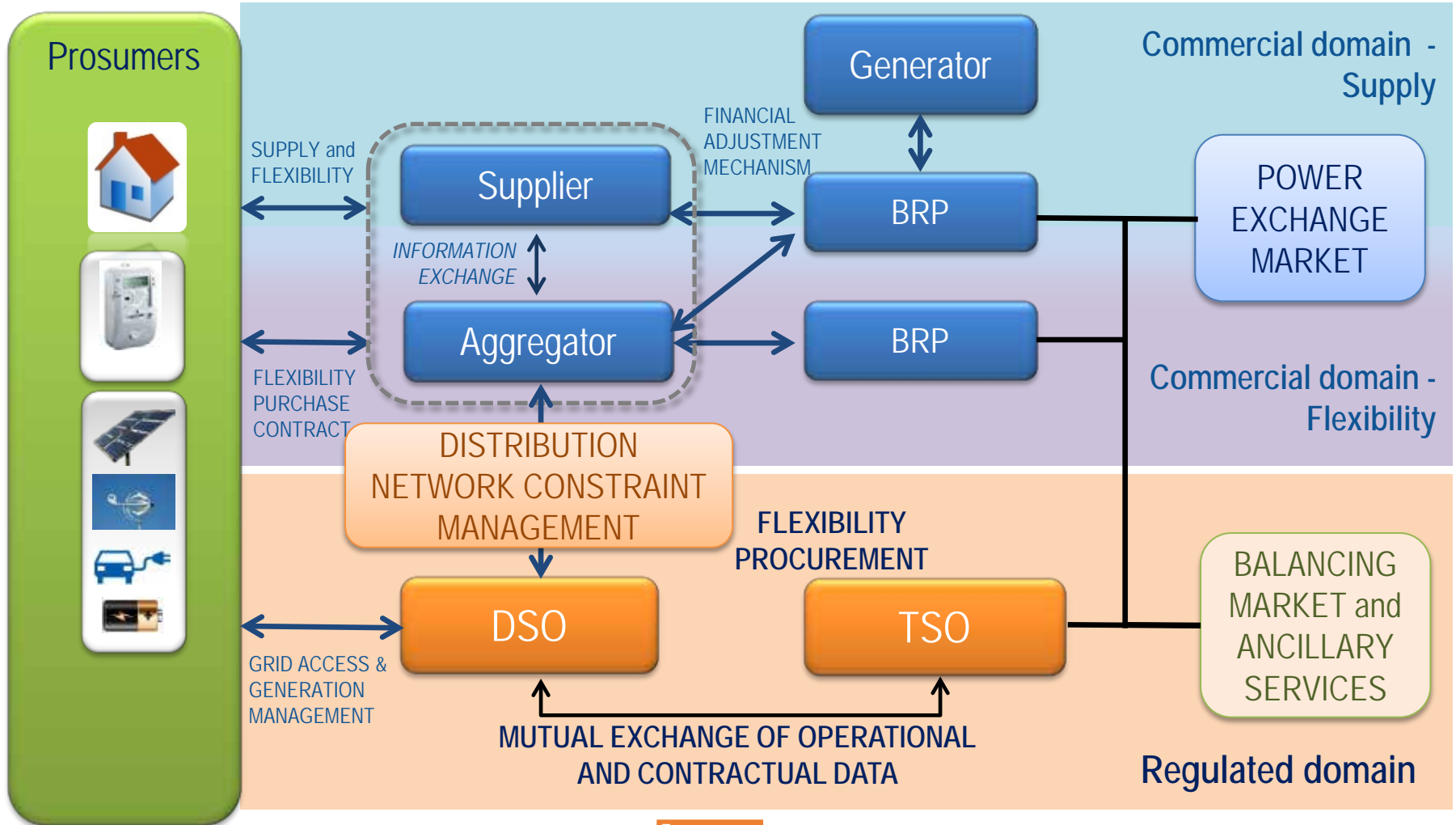
## **II. SGTF EG3: Regulatory Recommendations for the Deployment of Flexibility**



# Smart Grids Task Force



# EG3: potential relations between actors



## 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>

<http://ec.europa.eu/energy/en/topics/markets-and-consumers/smart-grids-and-meters>