

Annual Report **2016**

This report provides the highlights for CEDEC's activities from 1st January 2016 to 31st December 2016. CEDEC is legally constituted as a non-profit international organization (AISBL) under Belgian law.



OBJECTIVE OF THE ANNUAL REPORT

CEDEC worked intensively on European energy initiatives throughout the year 2016. This report highlights the most important issues to which CEDEC has actively contributed. Thanks to a continuous proactive involvement with European institutions, CEDEC continued to put forward the strategic role of local and regional energy companies in the European energy landscape.

This report also features the positions adopted by CEDEC on European energy policy.

For further specific information concerning CEDEC's positions and communications, you are kindly invited to visit our website www.cedec.com.

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The President's Statement

Dear CEDEC members and supporters,

A new eventful year has passed. One of the most important milestones of this year was of course, the publication by the European Commission of its long-awaited “Winter Package”. On 30th November 2016, the Commission unveiled under the title, “Clean Energy for All Europeans”, a legislative package that aims at putting energy efficiency first, developing more sustainable energy sources and improving the current energy market design to deliver energy transition at the lowest societal cost.

As local energy companies, operating close to citizens and customers, we support the European Commission's objective of adapting the current legislative framework in order to deliver a more sustainable energy system, built on citizens' engagement and customers' trust.

However, we believe we need to boost the local dimension, not only through political messages but also with concrete measures that promote decentralised and integrated solutions, linking electricity, gas and heating and cooling. To achieve such an ambitious energy policy, a long-term vision is needed that wins the trust of consumers and investors, while ensuring the involvement of all actors – big and small.

With more than 25 years of existence and rich experience, CEDEC is recognised as a key player by the European institutions in Brussels and considered a reliable stakeholder. With our specific know-how and background, our association has proven to be a valuable partner for EU policy makers and will continue to make its distinct contributions to EU policies. This position will be of highest importance during the on-going negotiation process on EU's future energy policy as I am convinced that the voice of local energy companies is indispensable in Brussels.

I would like to thank our members and other partners for their support and I hope that we will continue our fruitful collaboration in the future. Let me assure you that we will continue to work hard to represent your associations and companies in the best possible way. Let us translate the vision of an Energy Union close to all citizens into a reality together!

Rudi Oss
CEDEC President





CEDEC Presentation

CEDEC represents the interests of more than 1500 local and regional energy companies - mostly owned by local authorities - serving 85 million electricity and gas customers and connections. Together they generate an annual turnover of 120 billion euros.

These predominantly medium-sized local and regional energy companies have developed, for many years, activities as electricity and heat generators, electricity and gas distribution grid and metering operators and energy (services) suppliers. Local energy companies provide services which are reliable, sustainable and close to the customer.

Through their investments and by employing some 350.000 people, they make a significant contribution to local and regional economic development.

The political and regulatory framework applicable to the internal energy market must be set up in a way to exploit the structural advantages of local and regional companies, especially in the light of the energy transition.

As shareholders and management are both situated close to their customers, they carefully consider their interests throughout all decision-making processes.

CEDEC was founded as a non-profit organisation in 1992 in Brussels and has been actively advocating for the interests of local and regional companies active in the fields of electricity, gas and district heating at European level.

Characteristics of companies affiliated with CEDEC

- They are key players in competitive energy markets: without competitors of different sizes no competition is possible.
- They play an active part in the entire value chain and they aspire to civic value: local generation, distribution system operation, management of metering systems and data, supply of energy and related services.
- They are mostly small and medium-sized energy companies with local and regional shareholders: key players in regional economic development, investments and local jobs.
- They actively contribute to achieving the EU energy and climate targets, through investments in local sustainable energy generation, efficient and smart grids, and energy efficiency services.

Mission Statement

CEDEC's missions consist of:

- 1** Representing its affiliated local and regional companies' interests in their relationship with European authorities.
- 2** Promoting knowledge exchange and experience on key energy issues. CEDEC acts as a round table for local and regional companies operating in the energy field. It promotes the exchange of information and technical and economic experience regarding energy distribution between its members on one hand, and between CEDEC and relevant international organisations on the other.
- 3** Delivering services to its affiliated companies by monitoring and analysing legislative and regulatory initiatives and communicating on relevant topics.

Therefore CEDEC pursues the following activities, via its diverse bodies:

- ▶ Inform its members on current political initiatives taking place at European level, through Board and Working Groups meetings, seminars, website & information portal, newsletter and press flash;
- ▶ Develop common positions on relevant issues;
- ▶ Represent the interests of its members in their relationship with European institutions and international and national organisations;
- ▶ Organise internal and public meetings to promote the sharing of experience, knowledge and best practices;
- ▶ Contribute to studies and research to deepen analyses in the fields of economics and technology.

Key figures

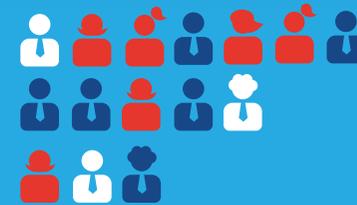


1500
companies



120 bn €
turnover

350.000
employees



85.000.000 customers



The organisational bodies

Executive Board

CEDEC's Executive Board is designated by the General Assembly and is composed of representatives of each member association or company. The Board meets regularly, in Brussels or in a member state.

During 2016, the Executive Board met on 25/2/2016 (Trento – Italy), 14/4/2016 (Brussels – Belgium), 2/06/2016 (Stockholm – Sweden), 17/10/2016 (Brussels – Belgium), 15/12/2016 (Vienna – Austria).

The Executive Board decides on the association's political and administrative strategy, and delegates the day-to-day management to the Secretary General.

Day-to-day management

Gert DE BLOCK – Secretary General
Catherine BIREN – Office & Event Manager
Ludovica Sara FONDI – Policy and Communication Officer
Alice FRANZ – Policy Officer
Marc MALBRANCKE – Coordinator Network Codes

Members of the Executive Board (31/12/2016)

Chairman

Rudi OSS, Dolomiti Energia / Federutility, Italy

Deputy Chairmen

Luc HUJOEL, Sibelga / Synergrid, Belgium
André JURJUS, Netbeheer Nederland, The Netherlands
Akhobi SITOU, Séolis / ANROC, France
Andreas Feicht, WSW Wuppertal / VKU, Germany

Administrators

Jean-Paul AMOUDRY (Syane / FNCCR)
Sandro CECILI (Acea / Utilitalia)
Giampietro CIGOLINI (AGSM / Utilitalia)
Claude DESAMA (ORES / Intermixt)
Plamen DILKOV (SPEE-BG)
Michel FAURÉ (from 18 November 2016)
Peter FLOSBACH (DEW21 / VKU)
Joost GOTTMER (Alliander)
Robert GRÜNEIS (Wien Energie / VKÖ) (until 19th December 2016)
Heidrun MAIER-DE KRUIJFF (VKÖ)
Andreas ROß (NRM / VKU)
Elisa SCHENNER (Wiener Stadtwerke / VKÖ) (from 19th December 2016)
Göran Sörell (Sundsvall Elnät / Elinorr)
Marc-Antoine SURER (SilCOM / Multidis)
Pascal TAVERNIER (SICAE ELY / FNSICAE) (until 18th November 2016)
Géry VANLOMMEL (Infrac / INTER-REGIES)
Kirsten WILKESHUIS (Netbeheer Nederland)
Michaël WÜBBELS (VKU)

Assistants to the Executive Board

Pierre BOULNOIS (FNSICAE)
Mirco CALIARI (AGSM / Utilitalia)
Bérénice CRABS (SYNERGRID)
Eric DAVALLE (SIE / Multidis)
Francesco DELFINI (FNSICAE)
Dieter GISIGER (SEIC / Multidis)
Christine GOCHARD (GEG / ELE)
Pascal GRIMAUD (Soregies / ELE)
Patrick PAULETTO (SPEE-BG)
Alain PETIT (Intermixt)
Yves RAGUIN (FNCCR)
Fabio SANTINI (Utilitalia)
Stéphanie SCHMITT (UEM / ANROC)
Pascal SOKOLOFF (FNCCR)
Guillaume TABOURDEAU (ANROC)
Björn TER BRUGGEN (Sundsvall Elnät / Elinorr)
Christian VIAENE (Sibelgas / Intermixt)

Commissioners

Karl FERRARI (SEL-A.G / Federutility)
Pascal GRIMAUD (Soregies / ELE)
Jacques VANDEBOSCH (INTER-REGIES)

WORKING GROUPS

CEDEC coordinates several Working Groups, each one focusing on a specific field of expertise. These Working Groups have as a mission the deeper analysis of specific topics and the elaboration of position papers.

WORKING GROUP “CONSUMERS”

The Working Group “Consumers”, chaired by Johannes Jungbauer (Wien Energie - AT), works on issues related to the functioning of the energy retail markets for all types of consumers, including for the most vulnerable ones. It closely follows the activities in this field of the EU institutions and the Council of the European Energy Regulators (CEER).

WORKING GROUP “ENERGY AND CLIMATE”

The Working Group “Energy and Climate” focuses on the Commission’s proposals linked to the EU Climate Agenda, such as renewables and energy efficiency, as well as the EU ETS scheme.

WORKING GROUP “GAS”

The Working Group “Gas”, chaired by Joost Gottmer (Alliander - NL), focuses on strategic European gas topics that are relevant for local and regional gas companies and the gas DSOs, including the developments of the European Network Codes for Gas.

WORKING GROUP “GRID TARIFFS”

The Working Group “Grid tariffs”, chaired by Ilse Malfait (Infrax - BE), analyses the different grid tariff models and related regulatory systems throughout the EU Member States, and develops concepts on future-proof grid tariff structures.

WORKING GROUP “NETWORK CODES ELECTRICITY”

The Working Group “Network Codes Electricity”, chaired by Marc Malbrancke (INTER-REGIES - BE), follows up on the development and the implementation of the European Network Codes for Electricity, and on the impact of those codes on Distribution System Operators (DSOs).

WORKING GROUP “SMART GRIDS”

The Working Group “Smart Grids”, chaired by Paul De Wit (Alliander - NL), focuses on the different strategic and operational aspects of smart grids. The new roles and responsibilities of DSOs, use of flexibility, as well as management and communication of data regarding smart meters, play a central role in the discussions.

WORKING GROUP “TRADING”

The Working Group “Trading”, chaired by Peter Schmidt (VKU - DE), handles subjects regarding wholesale markets in a broad sense, in particular MIFID, REMIT, capacity mechanisms and balancing issues.

WORKING GROUP “HEATING AND COOLING”

The Working Group “Heating and Cooling” was established in 2016 to follow up EU legislation on this crucial sector. After a non-legally-binding communication on Heating and Cooling strategy, the Commission proposed some concrete measures that need to be monitored and discussed, such as the mainstreaming of renewables in the sector.

POLICY GROUP

The Policy Group, chaired by Gert De Block, aims at facilitating the information flow among members and the preparation of the strategic decisions of the Executive Board.

Membership

CEDEC counts among its members national or regional federations, or - in their absence - local and regional companies , all active in the energy field.

The specific characteristics of the local and regional companies, locally anchored through their local shareholders, motivate them to have their own specific voice at EU level. Cooperation among all local and regional companies will strengthen their representation and optimise the defence of their particular and legitimate interests.

Companies or organisations interested in joining forces with CEDEC – as an effective or associated member – can contact CEDEC secretariat, or address an application request at info@cedec.com.





2016 Key Topics

THE “CLEAN ENERGY PACKAGE”

ELECTRICITY AND GAS: THE FUTURE MARKET DESIGN

AN EU HEATING AND COOLING STRATEGY

DSOs AS NEUTRAL MARKET FACILITATORS

CONSUMERS & RETAIL MARKETS

REVIEW OF EU EMISSION TRADING SYSTEM (ETS)

EUROPEAN NETWORK CODES AND GUIDELINES

THE EUROPEAN COUNCIL

“The Clean Energy Package”

The Vice President and Commissioner for the Energy Union Maroš Šefčovič defined 2016 as “The year of delivery”. The consignment was punctually shipped to stakeholders on 30th November and included eight legislative proposals on market design, renewables and energy efficiency policy.

The Commission identified three main goals: putting energy efficiency first, achieving global leadership in renewable energies and providing a fair deal for consumers. Amending different pieces of legislation, the proposal aims at establishing a framework for the period 2020-2030 to reach a 30% energy efficiency target and 27% shares of renewables in the EU by 2030, as well as giving consumers the entitlement to generate, store and sell their own electricity.

The European Parliament and the Council have been put under immediate pressure to work on the different files within very strict deadlines, and so have all the stakeholders. CEDEC promptly organised ad hoc working groups to analyse the different proposals, identify priorities and propose changes in the legislation. Meetings with Members of the European Parliament and Regulators already started and this lobbying activity will of course even be intensified in the course of 2017.

Moreover, the CEDEC communication strategy on the Clean Energy Package was developed successfully through diversified tools, such as press releases, social media, articles in energy-relevant magazines and external events. All the work will flow into official position papers in 2017.

The ultimate deadline for the approval of the whole legislative package are the European elections in June 2019.

Electricity and Gas: the future Market Design

The EU energy market is in continuous evolution. The increased share of renewable energy in the system - driven by an ambitious EU Climate Agenda - the appearance of new market players, as well as the growing need for flexibility in supply and demand, have played a crucial role in determining the need for a Market Design Reform.

The transition towards a more decentralised generation from renewable energy sources has successfully started, but needs further and cost-efficient support. Against this background, the European Commission came up with its legislative plan in 2016, publishing the long-awaited proposal to tackle the urgent challenges posed by this transition.

Positively, the Commission recognised the existence of the two basic trends: decarbonisation and decentralisation. CEDEC supported the Commission's objective to put citizens and customers at the heart of the energy transition. However, for a greater uptake of decentralised and renewable energy sources, CEDEC pointed out that the local dimension should be further supported, not only in words but also in concrete measures that promote decentralised and integrated solutions, linking electricity, gas and heating & cooling, and going beyond the electricity-only vision.

Nevertheless, the European Commission 2016 proposals focused on one sector: electricity. A stakeholder consultation on Gas (wholesale) Market Design was launched just afterwards. The Commission is also evaluating a review of the Gas Directive for retail and distribution grid elements, possibly "mirroring" some elements of the Electricity Market Design. CEDEC, as crucial stakeholder representing both electricity and gas and bearing in its soul the great value of local synergies, has already contributed to this evaluation and will follow up in 2017.

An EU Heating and Cooling Strategy

In 2015, in the preparation phase of the EU Heating and Cooling Strategy, CEDEC published a position paper advocating for a sustainable technology mix, preferably based on locally available infrastructures and resources. CEDEC also played a key role in the debate, contributing to the European Commission high-level conference on the topic and to several other stakeholder meetings.

These efforts were rewarded in February 2016 with the publication by the European Commission of the first EU Heating and Cooling Strategy. The strategy focuses on actions to stop the energy leakage from buildings, increase the efficiency and the share of renewables in heating and cooling systems and support efficiency in industry.

Following the publication of the Strategy, the European Parliament adopted a resolution on an EU Strategy on Heating and Cooling. Members of the Parliament encouraged Member States to be even more ambitious than what the Commission had foreseen in its Strategy.

Indeed, in its vote, the European Parliament decided to support the introduction of specific measures for heating and cooling – e.g. on combined heat and power, cogeneration, district heating and cooling, preferably based on renewables – in view of the revisions of the Energy Efficiency Directive, the Renewable Energy Directive and the Energy Performance of Buildings Directive.

The European Commission has now integrated in its proposal for a new Renewable Energy Directive an article on district heating and cooling. CEDEC welcomes this inclusion since district heating and cooling is recognised as one of the most promising instruments for contributing to the ambitious targets on energy efficiency and renewable energy sources development. However, the Commission's proposal may have adverse effects and compromise the development of new district heating & cooling projects. Given the higher importance given to heating and cooling, CEDEC has created a new Working Group Heating & Cooling that works intensively on this issue and for the moment more specifically on the Commission's proposals.





DSO as Neutral Market Facilitator

CEDEC acknowledges and strongly supports the need for clear roles and responsibilities for all actors involved in the energy market. Regarding Distribution System Operators (DSOs), we plead for the full recognition of the role of DSO as neutral market facilitator.

With more than 90% of all renewable energy installations connected to the distribution grids, DSOs bring a crucial contribution to energy & climate targets, while ensuring security of supply for all energy consumers. Moreover, the balancing of demand and supply is becoming an increasingly local issue and detailed information on all grid elements and on customers connected to the grid become essential for smart grid management.

CEDEC fully supports the role of DSOs in facilitating data management and data communication between customers, prosumers and other market actors, guaranteeing the privacy and security of customer's data.

CEDEC focused throughout 2016 on giving more visibility to local DSOs and to push for the right legal framework for distribution grid operators. Besides the usual advocating activities, CEDEC organised different successful webinars highlighting the enabling role of DSOs in public lighting and electric-vehicle charging infrastructure, as well as in ensuring the stability of the grids through storage assets in the distribution grid.

CEDEC further developed close cooperation with other European associations representing DSOs, for electricity and for gas. Common events have been successfully organised throughout the year. Furthermore, given the increased importance of data needs and flexibility, CEDEC pro-actively engaged in a formal cooperation between all the DSO associations and ENTSO-E. A DSO work programme was established along with a committee of experts on flexibility issues, which already started its collaboration and will provide concrete results in 2017.

Consumers and energy retail markets

Providing a fair deal for consumers is one of the three main objectives that the European Commission intends to achieve through its new proposal. CEDEC has always been supporting the pivotal role of citizens and local actors, and welcomed the European Commission's choice to put the citizens and consumers at the core of its latest important piece of legislation.

Ensuring a level-playing field and customers rights, defining roles and responsibilities, and fairly allocating costs to different customer groups, is key to achieve this purpose.

CEDEC, while backing policy measures incentivising prosumers, pleads for avoiding disproportionate costs for consumers who do not or cannot generate their own energy.

Fair access to data for customers and guarantees of data privacy & data security are also of utmost importance. DSOs, as neutral market facilitator, play an important role and are best placed to ensure that data is provided to all relevant parties, transparently, secure and in a non-discriminatory manner.

In the course of 2016, CEDEC took concrete steps towards citizens engagement in the electricity market and consumer empowerment.

Being convinced that improved fuel-mix disclosure would foster consumer choices and transparency in the electricity market, CEDEC signed a joint communication supporting a more general application of the Guarantees of Origin, a tracking system for electricity generation.

Later during the year, CEDEC joined an initiative from BEUC, the European consumers' association, to support a statement to improve comparability of energy offers. The paper recommends key information to be provided by suppliers when presenting a product to customers, in order to facilitate comparability.

Review of EU Emission Trading Scheme (ETS)

CEDEC believes that joint ambitious actions on climate and energy policies are needed to reduce greenhouse gas emissions, and make Europe more energy-independent and competitive through exploiting its leadership in sustainable technologies, such as renewable energy and energy efficiency.

In this sense, a level playing field in generation is essential, but this can only be reached through a well-functioning ETS, and through the incorporation of external costs for all energy sources, such as nuclear waste and CO₂ costs.

In the current phase of the EU ETS, a single, EU-wide cap on emissions applies (no national caps) and auctioning is the default method for allocating allowances, instead of free allocation. Following the European Commission's proposal, CEDEC published its position paper in early 2016. CEDEC wants to see free allocation restricted to energy-intensive industry sectors with real and intense global competition. Key points that CEDEC considered as crucial in the reform include the rejection of any international carbon credits for the attainment of the 2030 target, the dismissal of unallocated allowances that remain in the Market Stability Reserve (MSR), and an increase of the linear factor (LRF) to 2,2%.

In 2016, the European Parliament played a major role in dealing with the ETS Reform. In plenary vote, Members of the European Parliament approved the EC proposal of 2,2% LRF and the removal of 800 million allowances from the MSR: elements that will be insufficient to reach the goal of the ETS system, namely a robust price for CO₂ that incentivizes investments in clean technologies.

As the trialogue with the Council started only at the end of the year, CEDEC Secretariat will continue to monitor and evaluate the outcomes in the course of 2017.





The European Network Codes and Guidelines

Network codes and guidelines for gas and electricity are detailed European regulations on very technical topics. Their goal is to address cross-border network and market integration issues. Market integration requires also the involvement of the DSOs, hence the importance of their active participation in the development and the implementation of these codes and guidelines. Within CEDEC this participation is organised through dedicated working groups.

At European level the implementation of the electricity network codes and guidelines is supported by a number of 'European Stakeholder Committees', one for each family of codes. The goal is to exchange the implementation experience from the Member States and to formulate guidance if implementation problems arise. CEDEC is represented in these committees.

Impact of the network codes and Guidelines on the DSOs

- Possible investments in additional grid assets;
- Treatment of data and information (more data and within shorter time frames);
- Modification of existing and new IT-systems;
- Administrative handling of (connection/derogation) requests;
- Technical compliance testing and monitoring;
- Modification of internal procedures.

NETWORK CODES FOR GAS

For gas four network codes have been developed.

NC CAM	Capacity Allocation Mechanisms
NC GB	Gas Balancing
NC IO & DE	Interoperability and Data Exchange
NC TAR	Harmonised Transmission Tariff Structures

The network code for Interoperability and Data Exchange (IO&DE) is applicable as from May 2016. A possible impact for DSOs is to be expected in terms of control of the gas quality and in the future also for data exchange. ENTSOG carried out an impact assessment of making CEN standard on gas quality part of the network code, but does not recommend integration of the standard based on benefits and costs of different implementation scenarios.

The first network code for gas, the Capacity Allocation Mechanisms (CAM), concerns the mechanisms for cross-border capacity allocation in transport grids and was applicable as from November 2015. This code has been revised to add a chapter on incremental capacity, which will probably enter into force in the first quarter of 2017.

A second code, applicable as from October 2015, is the gas balancing (GB) code. Full implementation is not yet achieved and will require further effort across the EU.

Both CAM and GB do not have an immediate influence on the distribution grids.

Finally, there is the network code on harmonised Transmission Tariff Structures (TAR). By the end of 2015 the Commission took the lead in the further development of the NC TAR, since ACER was not able to recommend the code to the Commission.

A final text got the approval of the Gas Committee at the end of September 2016. The code is expected to enter into force in the first quarter of 2017.





NETWORK CODES FOR ELECTRICITY

For electricity, the network codes/guidelines can be divided into a number of families:

CONNECTION RELATED CODES

NC RfG	Requirements for Generators
NC DCC	Demand Connection
NC HVDC	High Voltage Direct Current Connection

SYSTEM OPERATION CODES- GUIDELINES

GL SO	Transmission System Operation
OS o	Operational Security
OPS o	Operational Planning & Scheduling
LFCR o	Load Frequency Control & Reserves
NC ER	Emergency & Restoration

MARKET RELATED CODES-GUIDELINES

GL CACM	Capacity Allocation & Congestion Management
GL FCA	Forward Capacity Allocation
NC EB	Electricity Balancing

Most of the connection related network codes have a direct impact on DSOs, especially the code on Requirement for Generators (RfG) that includes generators connected to the distribution system, and the code on Demand Connection (DCC). These codes were published respectively in April and August 2016. The network code HVDC was also published in August, but is less important for DSOs.

The operational guideline System Operation (SO), which consists of 3 network codes, is also important for the DSOs, especially for the part on data exchange. This guideline was positively voted in May 2016 and will probably enter into force by mid-2017. The network

code Emergency and Restoration (ER), on emergency situations and restoration of the system, will probably also enter into force by mid-2017. This network code is important for the DSOs since it impacts e.g. the automatic under-frequency control scheme.

The market-related electricity guideline CACM concerning capacity allocation and congestion management on the transmission grid was already published in 2015. Another guideline in the family of the market guidelines is FCA, concerning longer term capacity allocation, which was published in September 2016. The guideline EB is still discussed in Comitology but will probably enter into force by mid-2017.

The European Council in 2016 - Presidencies

The Netherlands

From January to June 2016, the Netherlands held the presidency of the Council of the European Union. During its six-month term, the Dutch presidency focused on migration and international security, innovation & growth, financing and climate and energy.

On climate and energy, the Dutch presidency priorities were:

- To pursue a complete and fully functioning energy market by concentrating on interconnections;
- To enhance regional cooperation and to strengthen international energy relations;
- To increase energy security;
- To address energy efficiency and prices.

Slovakia

On 1 July 2016, Slovakia took over the Presidency of the EU Council until the end of 2016. The Programme of the Slovak Presidency of the Council of the European Union was based on four priorities: an economically strong Europe, a modern single market, a sustainable migration and asylum.

The Slovak presidency pushed for further implementation of the EU Energy Union, energy security and lower carbon emissions.





2016 Key Events

CEDEC Webinar on “Public lighting modernisation in cooperation with local utilities” (19th January 2016)

On 19th January, CEDEC co-organised with the Covenant of Mayors a Webinar on “Public lighting modernisation in cooperation with local utilities”.

This webinar aimed to present the success-stories of two municipalities and their local energy companies in this field. A case study from Italy (A2A, Milano) and a case study from Belgium (Régie de Wavre) were presented and discussed. The speakers illustrated the significant untapped potential in public lighting modernisation.

About two third of the total population of both Belgium and Italy live in municipalities that have signed the Covenant of Mayors. A significant part of them plan public lighting upgrades. Local energy companies can play an important role, as they own and operate a significant part of the public lighting systems.

Workshop on “Experiences and conditions for successful deployment of demand response and self-consumption” (2nd March 2016)

On 2nd March, a workshop on experiences and conditions for successful deployment of demand response and self-consumption, organised by the Smart Grid Task Force Expert Group 3, was held in CEDEC premises. The aim of this workshop was to share experiences and discuss the challenges faced by energy intensive industries and households, National Regulatory Authorities, power generators, suppliers, aggregators and grid operators when using demand side management and self-consumption with RES and non-RES, and their potential role in reducing energy costs.



Joint conference on “Innovative DSOs are needed in a Decentralised Energy System” (12th April 2016)

The four Brussels-based associations representing electricity DSOs (CEDEC, EDSO for smart grids, Eurelectric and Geode) organised on 12th April a joint conference “Innovative DSOs are needed in a Decentralised Energy System”. The event highlighted that investments in smart grid technology will allow DSOs to become central platforms for the energy transition by connecting responsive consumers, renewables and flexibility sources.

To encourage the development of innovative DSOs, the four associations reaffirmed the importance of a sound remuneration framework, better economic regulation and an adequate return on invested capital.

Divided into two sessions, the conference first addressed the evolving role of the DSOs in managing distribution systems and facilitating markets. In

the future evolution of energy networks towards a smarter grid concept, DSOs will have to play an active coordinating role between all market participants, facilitating markets and services in a neutral and non-discriminatory manner. DSOs will have to position themselves in both existing and emerging fields, notably data handling, flexibility and storage, while respecting market priorities and without interfering with them.

The second session focused on stimulating investment through better economic regulation. As energy systems evolve, regulatory frameworks should become more innovative to account for smarter investment. Remuneration schemes should not only reflect costs, but also incentivise DSOs to make efficient and innovative choices in both network development and system operation.



CEDEC Webinar on “Electric vehicles development: the crucial role of local entities” (25th May 2016)



On 25th May, CEDEC co-organised with the Covenant of Mayors a Webinar on “Electric vehicles development: the crucial role of local entities”.

Electric mobility is an important step towards the decarbonisation of the energy sector. Local authorities have been playing a crucial role in this transition and there is a lot to learn from their successful experiences.

The online event provided an outlook into the challenges and opportunities offered by electric mobility to local authorities. How to promote it, how to implement the necessary changes into the grids, and what are the lessons learned from cities which have been promoting electric mobility already since several years.

Workshop on “The role of renewable gases in a smart low-carbon energy system” (15th June 2016)

On 15th June 2016, as part of the European Sustainable Energy Week, the key stakeholder groups on gas represented by their Brussels based organisations CEDEC, Eurogas, EBA, FCH JU & Geode, came together to highlight the potential of renewable gases in decarbonising the energy system.

This event was unique as for the first time, it brought together key stakeholders – the biogas and biomethane producers, the hydrogen producers, the distribution gas grid operators and the gas suppliers – to discuss this topic on a European basis.

This event highlighted the real potential of renewable gas, which is currently insufficiently recognized and addressed. The workshop was a great opportunity to raise awareness about the potential role that renewable gas can play in the EU energy mix and how the existing gas grids can be used to accommodate them.



Launch event for the TSO-DSO data management report (19th September 2016)

The four European associations representing electricity DSOs (CEDEC, EDSO for smart grids, Eurelectric and Geode) and ENTSO-E, representing the electricity transmission system operators, teamed up to share their views on how to manage data and information exchanges between system operators. The resulting effort is a joint report that sets out how rules on data management and exchanges represent a precondition to deploying smart grids and unleashes all potential of the demand side of the electricity system.

The joint TSO/DSO data management report aims to stir the debate across networks and markets, amongst aggregators, retailers, utilities, traders, new service providers and policy makers.



CEDEC Webinar on Energy storage for the integration of renewable electricity into the grids (24th November 2016)

On 2nd November 2016, CEDEC co-organised with the Covenant of Mayors a webinar on Energy storage for the integration of renewable electricity in distribution grids.

This online event presented two innovative projects in Germany and in the Netherlands, where distribution system operators - using local storage capacity - manage short term unpredictable fluctuations in the distribution grids, and by doing so ensure a reliable and affordable energy supply at all times for their cities and communities.

The goal of the German Green2store project is to ensure that a greater proportion of renewable energy generation can be integrated into the distribution networks. The project aims to develop a local storage system that contributes to increasing network intake capacity for renewable energies. In practice, a cluster combines a local network storage unit, an area storage unit, a campus storage unit and household storage units into one overarching storage system with enhanced capabilities called “Energy Storage Cloud”.

In the Dutch “Neighbourhood battery” project a smart storage solution is tested in a neighbourhood of the Dutch town Etten-Leur, with 180 KWp installed. The battery prevents the electricity that is produced during day times to leave the neighbourhood and the Low Voltage part of the grid. The battery is usually filled during daytime hours and discharged during evening hours, when people arrive at their homes after work. The households are using a smart phone based solution to define their parameters for charging their electric vehicle.

CEDEC Congress “Connecting local energies - Optimise the synergies” (18th October 2016)

On 18th October 2016, CEDEC organised its annual congress on the theme “Connecting local energies – Optimise the synergies”. In presence of Vice President for the Energy Union, Maroš Šefčovič, the President of CEDEC, Rudi Oss, opened the high-level Conference.



VP Maroš Šefčovič: “CEDEC member companies are at the heart of the industrial revolution we are going through”.

Ahead of the revision of the energy efficiency, renewables and market design directives, the CEDEC Congress provided a unique opportunity to discuss the strategic issues ahead and to demonstrate the importance of local companies in the future energy system. Innovative insights by CEDEC company members and other stakeholders were presented, proving that they are strongly aware of the local circumstances

and today already investing in a more efficient and sustainable energy system.

The stakeholders were enabled to engage in high level discussions on the need for demand-response and energy storage to achieve a reliable and affordable energy supply. The central place of the customers was touched upon with key exchanges on how to create additional value for the customers, and how to make an optimal use of data while respecting the consent and the privacy of energy customers.

The annual CEDEC congress attracted again more than 150 high level participants from the European Institutions, international organizations, regional and local energy companies and other interested stakeholders. They discussed the Energy Union strategy and the involvement of local actors – citizens, authorities and companies – to ensure a sustainable, reliable and affordable energy supply for the European Union.



CEDEC Highlights 2016

JANUARY

CEDEC publishes its report on “Storage as a tool for Smart Distribution”.

CEDEC co-organises a webinar with the Covenant of Mayors on Public lighting modernisation in cooperation with local utilities.

CEDEC answers to the European Commission Public Consultation on the Review of Directive 2012/27/EU on Energy Efficiency.

CEDEC issues a position paper on a Proposal for a Directive to enhance cost-effective emission reduction and low-carbon investments (EU ETS).

MARCH

CEDEC organises in its premises a European Commission Workshop (Smart Grids Task Force - Expert Group 3) on experiences and conditions for successful deployment of demand response and self-consumption.

CEDEC participates in the Electricity Forum (Florence) organised by DG ENER.

CEDEC replies to the European Commission’s Public Consultation on the functioning of the Auctioning Regulation pursuant to the scheme for GHG emission allowances trading.

CEDEC, together with Eurelectric, Eurogas and Geode, signs a Memorandum of Understanding on DSO cooperation at EU level.

MAY

CEDEC co-organises a webinar with the Covenant of Mayors on Electric vehicles development: the crucial role of local entities.

CEDEC responds to the public consultation of the European Commission on a sustainable bioenergy policy for the period after 2020.

FEBRUARY

CEDEC presents its new report on “Storage as a tool for smart distribution”.

CEDEC participates in the Citizens’ Energy Forum (London) organised by DG ENER & DG JUST.

CEDEC answers to the European Commission Public consultation on Preparation of a new Renewable Energy Directive for the period after 2020.

APRIL

CEDEC organises a joint conference with EDSO for smart grids, Eurelectric and Geode under the topic “Innovative DSOs are needed in a Decentralised Energy System”.

CEDEC, together with Eurelectric, Eurogas and Geode, communicates to the European Commission a formal and detailed proposal on future DSO cooperation at EU level.

JUNE

As part of the European Sustainable Energy Week 2016, the five Brussels based organisations CEDEC, Eurogas, EBA, FCH JU & Geode joins forces to highlight the potential of renewable gases in decarbonising the energy system.

During its General Assembly, CEDEC confirms Rudi Oss, President of Dolomiti Energia (Trento, Italy), as CEDEC President for the next two years, until June 2018.

CEDEC participates in an ad-hoc session of the Electricity Forum (Florence) organised by the European Commission devoted to the future of retail electricity markets and DSO roles.

CEDEC joins a BEUC – Eurelectric - Eurogas initiative and signs the “Joint Statement on Improved Comparability of Energy Offers”.



JULY

CEDEC publishes a position paper on the Interim Report of the Sector Inquiry on Capacity Mechanisms.

OCTOBER

CEDEC organises its annual congress on 18th October under the title “Connecting local energies - Optimise the synergies”, with more than 150 high level participants taking part in debates on diverse strategic issues.

CEDEC co-signs a Joint Communication supporting a tracking system for electricity generation - the Guarantee of Origin (GO) system. With this initiative CEDEC, along with other leading European associations, aims at fostering consumer choice and transparency in the electricity market.

CEDEC participates in the Gas Forum (Madrid) organised by DG ENER.

DECEMBER

CEDEC publishes its work plan 2017 defining CEDEC priorities for the next year, policy activities, participation in external working groups and collaborations with other organisations.

SEPTEMBER

CEDEC together with Eurelectric, EDSO for smart grids, Geode and ENTSO-E, publishes a joint TSO-DSO Data management report which provides input to the European Commission on identifying an appropriate TSO – DSO framework on data management and communication.

CEDEC supports a Citizenenergy position, cosigning the paper “Crowdfunding, Energy efficiency and local authorities”.

NOVEMBER

CEDEC welcomes the “Clean energy Package”, the so-called “Winter Package”, which aims to adapt the existing framework in order to reach a more sustainable energy system.

CEDEC co-organises a webinar with the Covenant of Mayors on Energy storage for the integration of renewable electricity into the grids.

CEDEC signs a joint communication with EBA – Eurogas – GIE – Hydrogen Europe – NGVA on Facilitating renewable gas through the revision of the Renewable Energy Directive.

CEDEC together with Eurelectric, EDSO for smart grids, and Geode reaffirms, in a high-level event, the importance of the new DSO role in the energy transition and in the new energy market design.

CEDEC publishes a Joint statement together with EDSO for smart grids, Geode and Eurobat on the future of battery-based storage.



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