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Council of European Energy Regulators

Regulators' Perspectives on Clean Energy Package

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Fostering energy markets, empowering **consumers**.

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European Electricity Market Context

Liberalised Markets

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

Renewables Growth

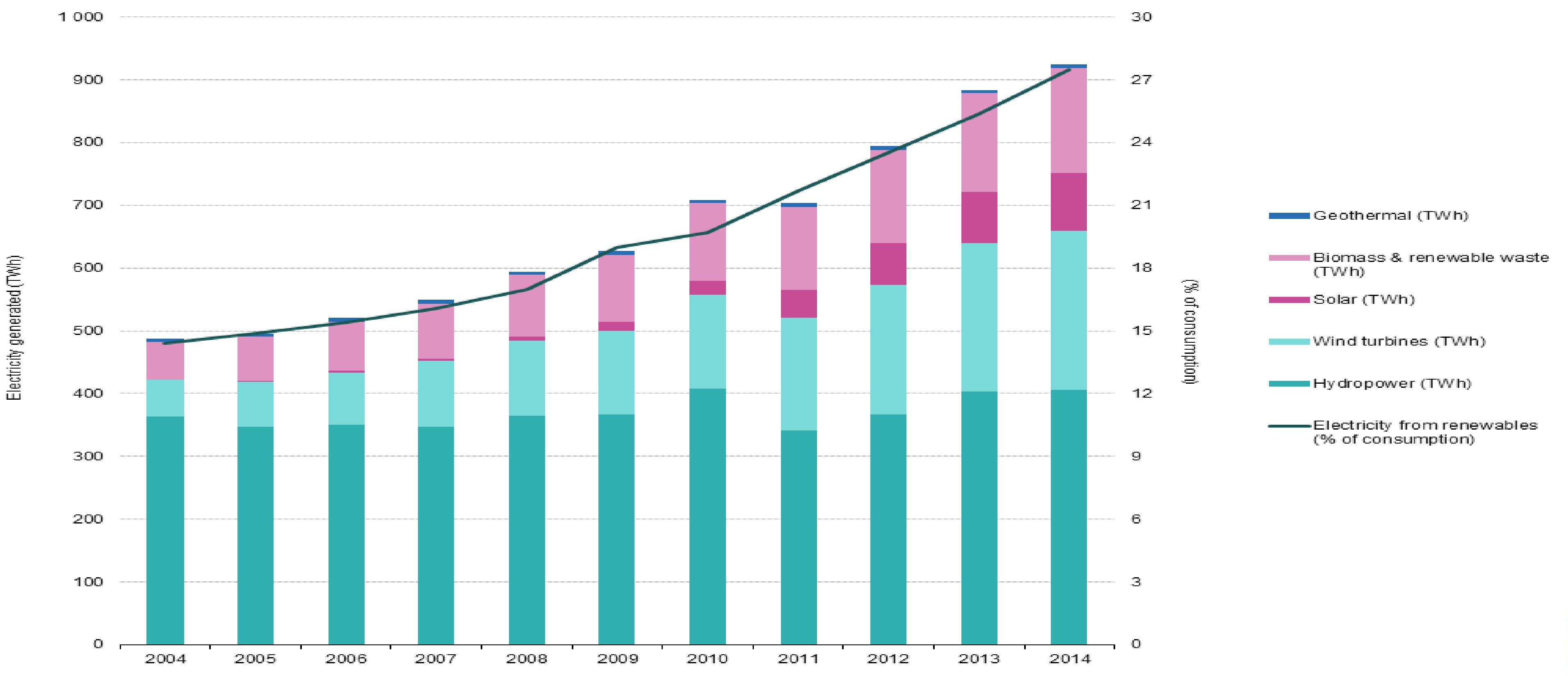
- Dispersed and Variable
- Low marginal cost
- Often small-scale at DSO level

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
- Growth driven by 2020 RES 20% energy target and support schemes
- Clean Energy Package to drive circa 50% RES by 2030



Source: Eurostat (online data codes: nrg_105a and tsdcc330)

Clean Energy Package

- Energy regulators welcome the Clean Energy package

ACER-CEER Regulatory White Papers		CEER Regulatory White Papers	
Renewables in the Wholesale Market	May 2017	Distribution and Transmission Network Tariffs and Incentives	May 2017
The Role of the DSO	May 2017	Technology that Benefits Consumers	May 2017
Facilitating Flexibility	May 2017	Consumer Empowerment	May 2017
Efficient Wholesale Price Formation	May 2017	Efficient System Operation	June 2017
		The Independence of National Regulatory Authorities (NRAs)	June 2017
		Infrastructure	July 2017
		System Adequacy & Capacity Mechanisms	July 2017
		Renewable Self-Consumers and Energy Communities	July 2017

Key CEER Clean Energy Positions

1. Customers

- Deliver 24-hour supplier switching
- Data operability, not necessarily a common EU data standard
- Keep required consumer bill information simple

2. Electricity Market Design

- All participants should have balance responsibility
- Allow scarcity pricing - remove price restrictions; rise to value of lost load (VOLL) as determined by NRAs
- No minimum interconnector target and allow congestion income to reduce domestic network tariffs
- Maintain flexibility for non-frequency ancillary services

Key CEER Clean Energy Positions

3. Networks

- DSO is a neutral market facilitator: storage & EV charging are competitive activities
- Maintain flexible local solutions rather than EU network tariff harmonisation / Network Code
- Better planning and coordination:
  - TSOs/DSOs to consult and take responsibility for network plans
  - Regulatory discretion is better than exemption for plans of small and integrated DSOs
  - Have requirement for EU DSO and ENTSO-E to coordinate
  - TYNDP and NDPs subject to regulatory approval

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Key CEER Clean Energy Positions

4. Renewables

- Remove priority dispatch for existing (as well as new) RES plants
- Renewable self-consumers and energy communities:
  - Definitions should be refined and consistent
  - Consumer rights protected
  - Prevent cross-subsidies
  - Energy communities like a DSO should be regulated as a DSO

5. Maintain strong ACER Board of Regulators