

CEER

**Council of European
Energy Regulators**



**8th Workshop of Eastern Partnership
Energy Regulatory Bodies
CEER Study on digitalisation**

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Minsk, 21 May 2019**

Fostering energy markets,
empowering **consumers**.

CEER 3-year Strategy

3D Strategy (2019 – 2021)

- CEER's activities and deliverables over the next 3 years
- The core elements of CEER's 3D Strategy – the 3Ds:
 - D1: **Digitalisation** in the consumer interest;
 - D2: **Decarbonisation** at least cost;
 - D3: **Dynamic regulation**: European solutions for adaptive regulation in a fast-changing world.



Dynamic Regulation to Enable Digitalisation of the Energy System

- Digitalisation in the consumer interest one of the three key strategic policy areas in CEER'S 3D Strategy
 - ▶ To facilitate competition that benefits active energy consumers whilst protecting the more vulnerable in society.
- The aim of the paper:
 - ▶ To explore
 - what digitalisation means for consumer,
 - the role of energy regulators in stimulating change in a positive manner for the consumer
 - the value proposition of digitalisation for energy consumers,
 - the enablers required to unlock the benefits of digitalisation,
 - ▶ To identify risks and challenges in digitalisation
 - ▶ To recommend areas for further work to achieve dynamic regulation by relevant authorities



Digitalisation relies on:



Produced by sensors, smart meters & devices in the system



Uses data to provide insights & is advancing with machine learning & AI



Digital networks provide for connectivity of devices & assets in the system

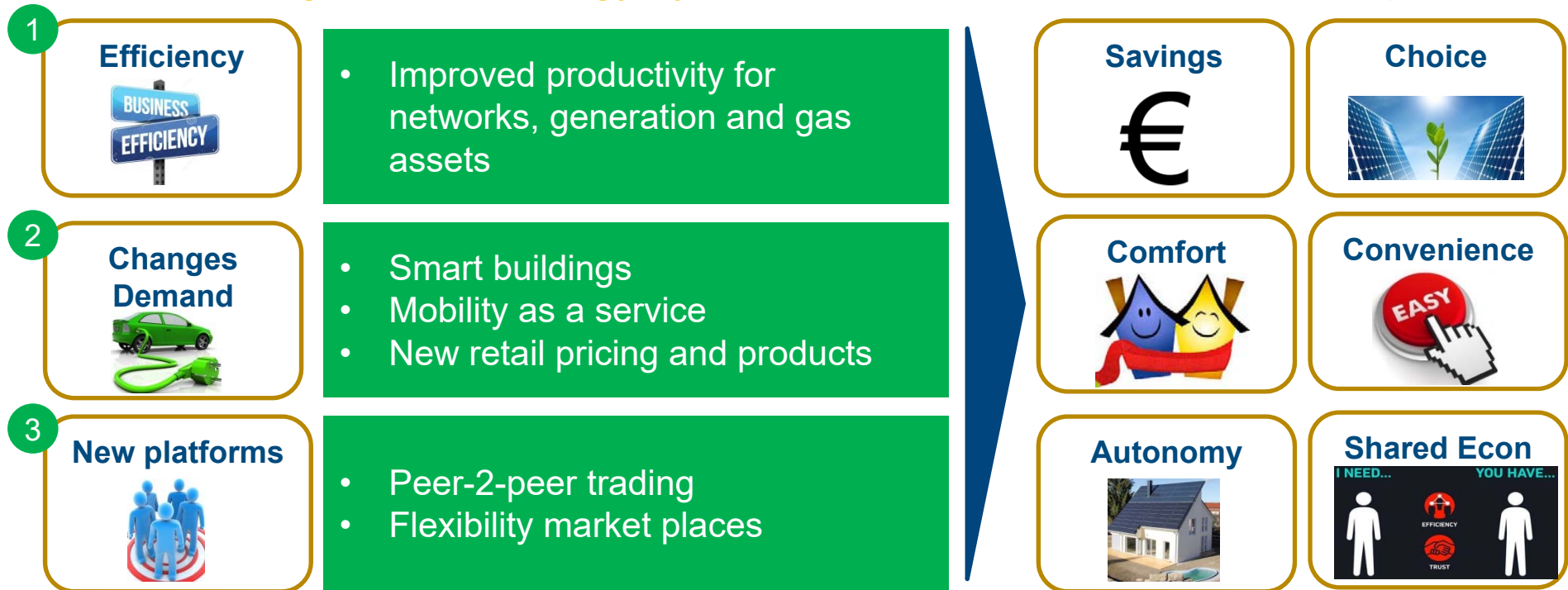
CEER's perspective: *Digitalisation is not an objective in itself, but a means to deliver benefits for the energy system and ultimately for energy consumers.*



Digitalisation of the energy system drives change and creates value propositions for consumers...

Changes to the energy system

Potential Value Propositions



To ensure that consumers benefit and risks are managed, certain issues will need to be considered...



Privacy: GDPR provides data protection requirements

Cybersecurity: recent CEER paper

DSOs: more focus needed on DSO network data

Competition: avoid incumbent monopoly over data being barrier to entrants



Risk: dynamic pricing and other products = new risks for consumers

Transparency: lower transparency of price in bundled products

Price discrimination: algorithms will facilitate targeted pricing – is this acceptable?

Vulnerable consumers: how to protect them as market gets more complex?



Efficiency: use of flexibility vs investment; send the right price signals for local grid services from distributed resources

TSO/DSO: avoid duplication and missed opportunities

Network tariffs: risk that those less able to take advantage of new services are left to pay more?



Skills: digital capabilities required

Consumer regulation: improve coordination and speed; how/whether to regulate new intermediaries and platforms

Learning: from pilots of new products; from publicly-funded trials; from telecoms and financial services



Next steps

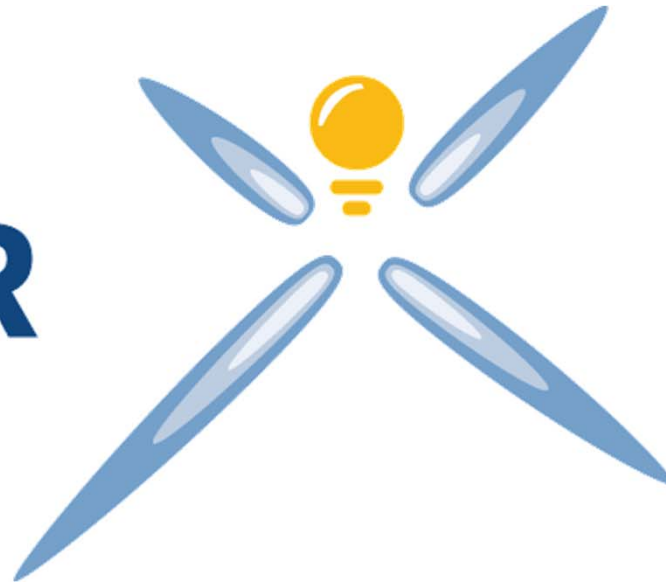
- 1) Consultation document was published on 18 March 2019
- 2) Responses were sought by 14 May 2019
- 3) 46 responses received
- 4) Conclusions to be developed for Q3 2019 in light of responses and short-term actions to be incorporated into CEER Work Programme 2020



Thank you for your attention!

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