

# CLEAN ENERGY FOR ALL EUROPEANS

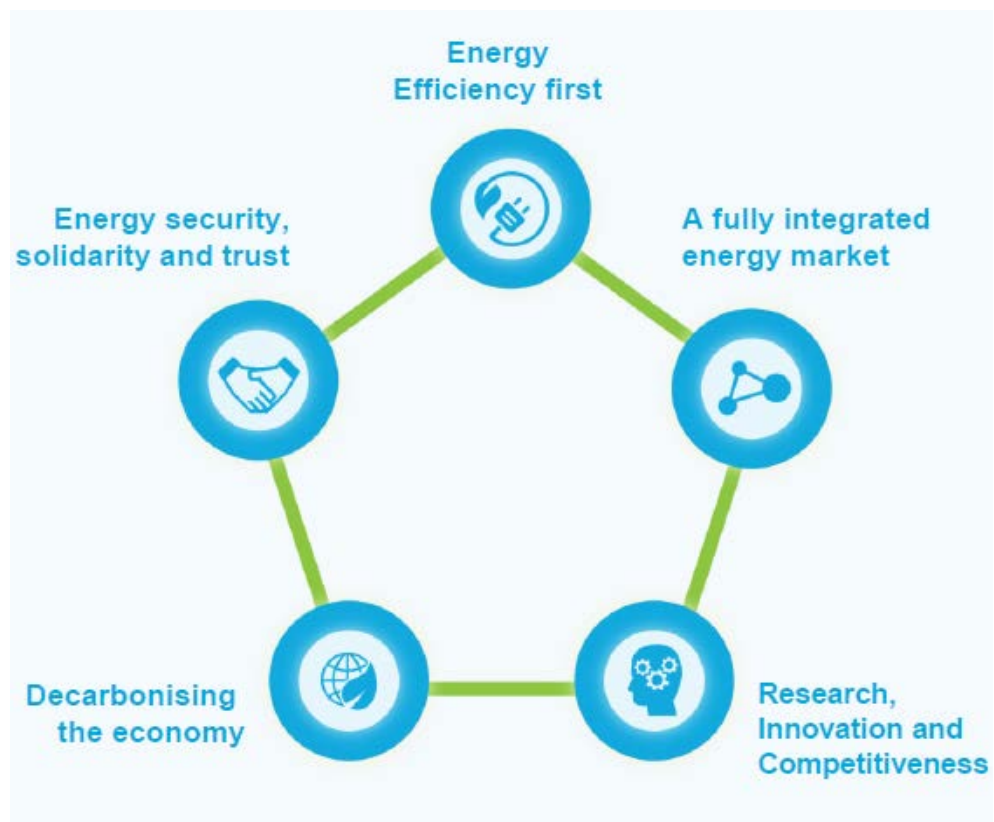
The Package

#EnergyUnion



"SMART AND CLEAN ENERGY FOR ALL" - IMPLEMENTING THE ENERGY UNION STRATEGY

AN ENERGY UNION BASED ON 5 MUTUALLY SUPPORTIVE AND INTERLINKED DIMENSIONS



# THE GOALS

CREATING JOBS AND GROWTH, REDUCING GREENHOUSE GAS EMISSIONS, SECURING ENERGY SUPPLY



Putting energy efficiency first



Making the EU world leader in renewables



Delivering a fair deal for consumers

# THE OPPORTUNITY

## THE ENERGY SYSTEM OF TOMORROW WILL LOOK DIFFERENT

**2015**

Most ambitious climate agreement signed in Paris, thanks to EU



**2030**

50 % of electricity to come from renewables



**2050**

Electricity completely carbon free



## A UNIQUE OPPORTUNITY TO MODERNISE OUR ECONOMY

Stimulate  
**investment**

Create  
**jobs and growth**

Secure  
**energy supplies**

Accelerate  
**decarbonisation**

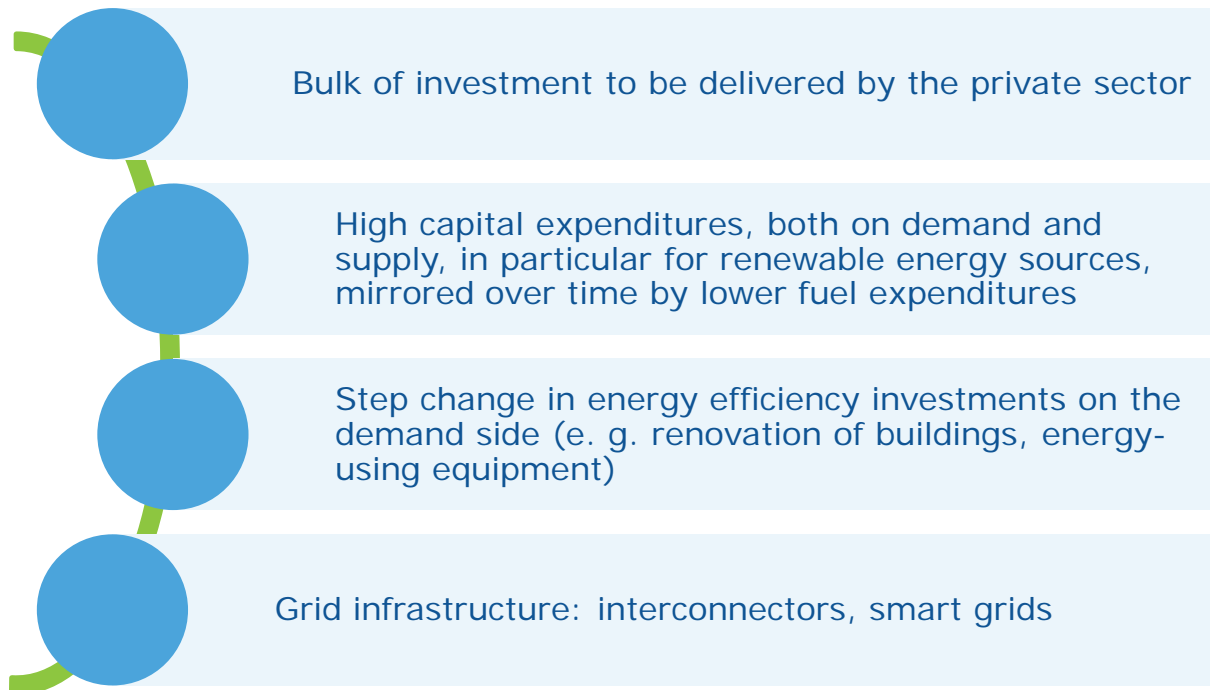
Empower  
**consumers**

# THE COST

## INCREASING ENERGY INVESTMENT - SCALE OF THE CHALLENGE

### Investment needs

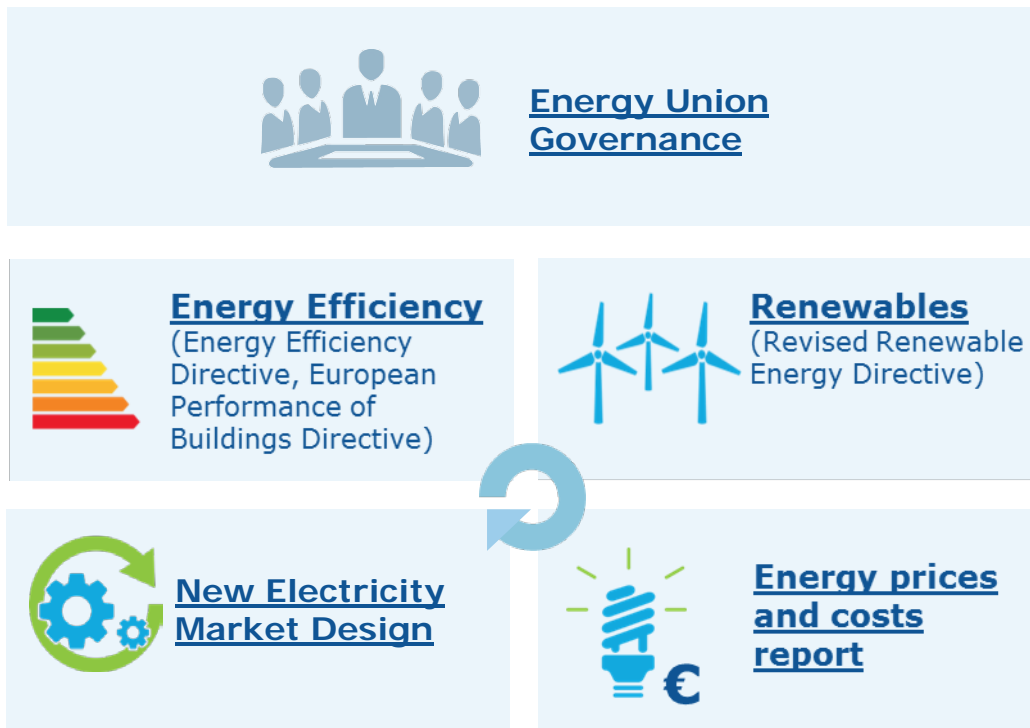
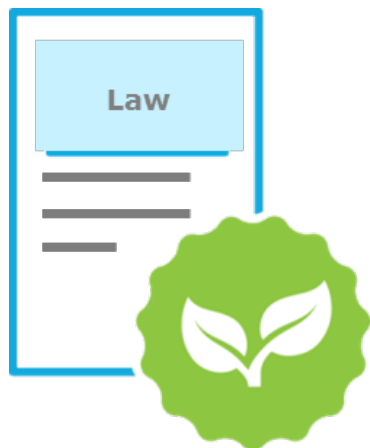
Extra €177 billion per year from 2021 (to meet 2030 climate & energy targets)



# THE TOOLS

## THE RIGHT REGULATORY FRAMEWORK

### SMART AND CLEAN ENERGY FOR ALL package





European  
Commission



# CLEAN ENERGY FOR ALL EUROPEANS

New Electricity Market Design



## WHY?



Boost wholesale market **flexibility** and provide **clear price signals** to facilitate the continuing penetration of renewable energies and ensure investments





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Promote **regional cooperation** and provide a true **European dimension to security of supply**

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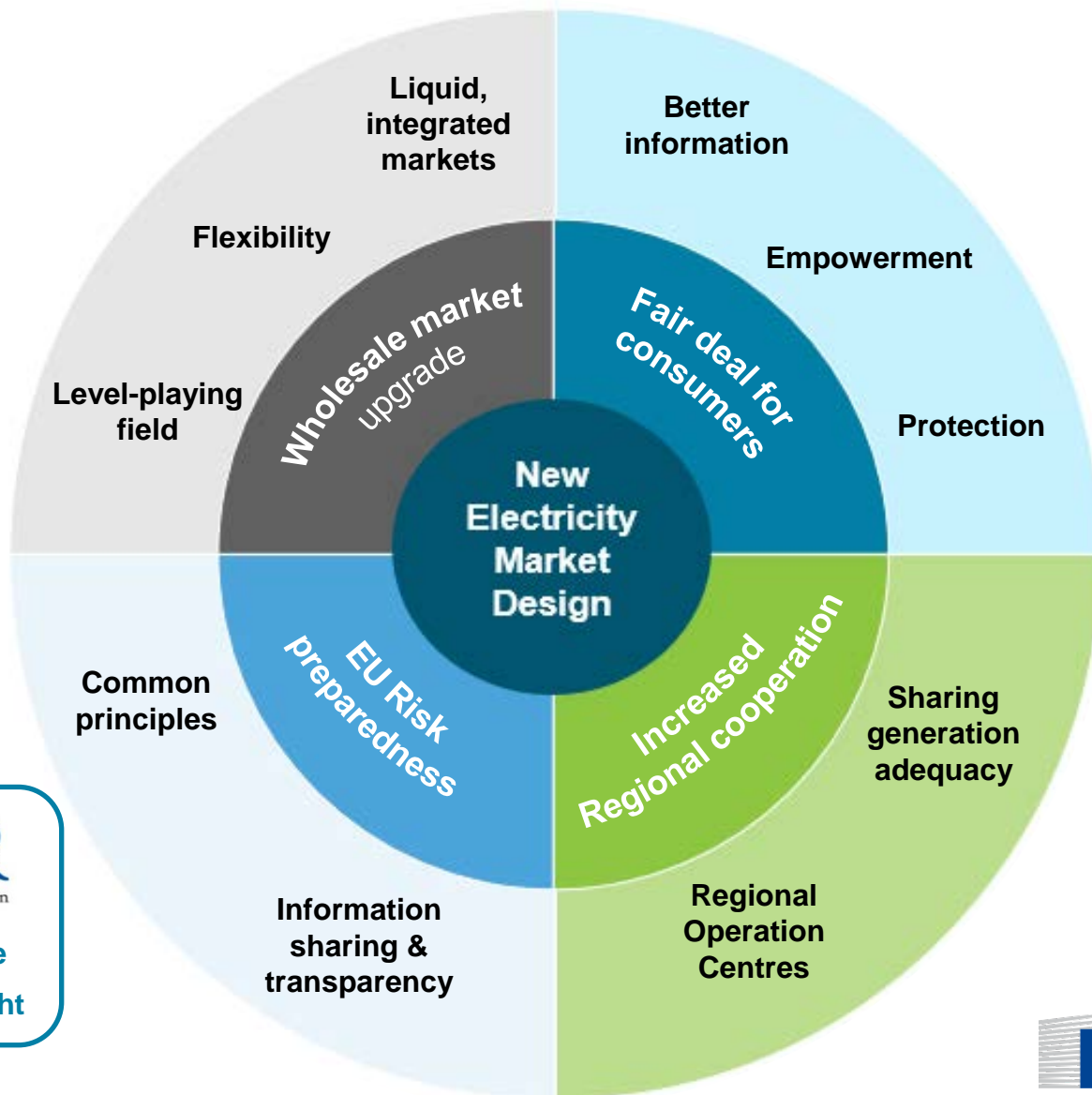


Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



Promote **regional cooperation** and provide a true **European dimension to security of supply**

HOW?



**ACER**

Agency for the Cooperation of Energy Regulators

**Stengthened role**

**Regulatory oversight**

## WHOLESALE MARKET UPGRADE

### Competitive energy markets are at the heart of a competitive economy

#### Strengthened short-term markets

Increase **cross-border trading opportunities** over shorter timeframes (intraday and balancing markets)

**Reward flexibility** for generation, demand-response and storage

Allow **prices to show real value** of electricity in terms of time and location (scarcity pricing)

#### Level-playing field among sources

Rules on **priority access** and dispatch

**Curtailement** rules

**Remuneration** on equal terms on market principles

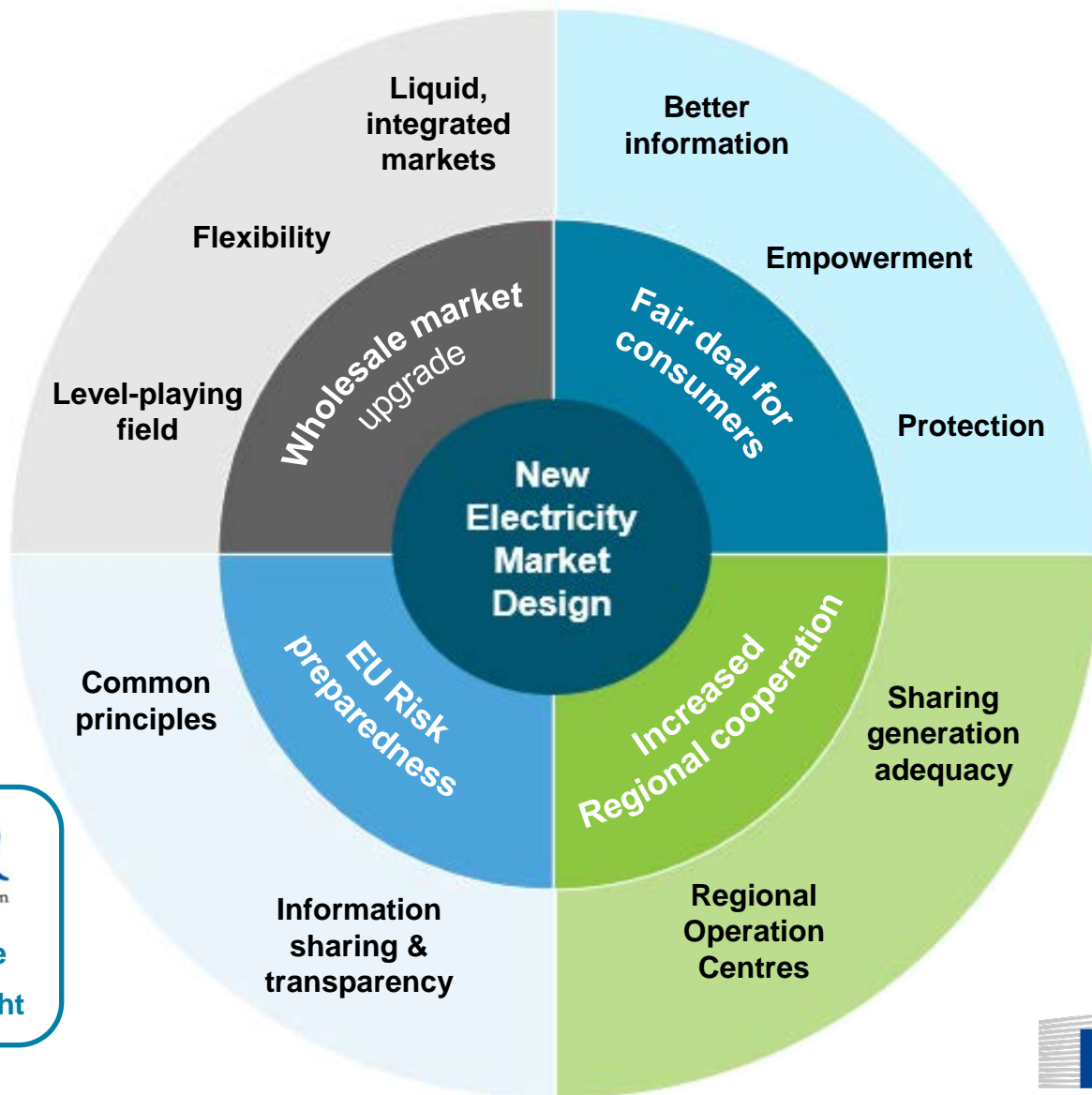
Extended **balancing** responsibilities

Enhancing  
system flexibility:

INTEGRATION OF  
RENEWABLES

MARKET-DRIVEN  
INVESTMENTS

# HOW?



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## FAIR DEAL FOR ALL CONSUMERS

“ *Our vision is of an Energy Union with citizens at its core, where citizens take ownership of the energy transition, benefit from new technologies to reduce their bills, participate actively in the market, and where vulnerable consumers are protected.* ”

Energy Union Framework Strategy

### BETTER INFORMED

- Access to fit-for-purpose smart meters
- Certified price comparison tool
- Clearer energy bills

### EMPOWERED

- Entitle individuals and communities to generate electricity and to consume, store or sell it back to the market
- Easier switching conditions
- Reward demand-response

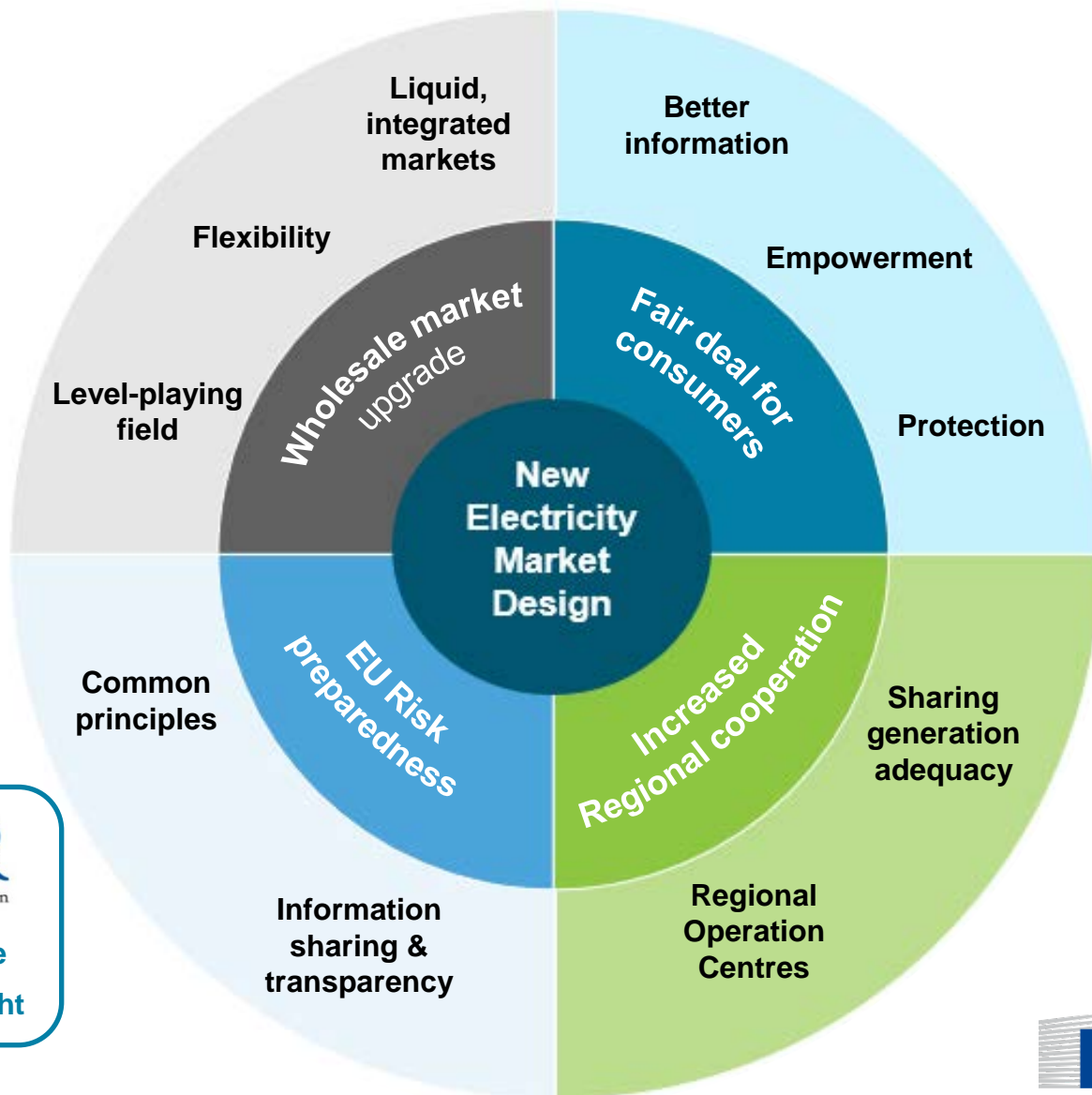
### PROTECTED

- Monitoring of energy poverty (governance)
- Information on alternatives to disconnection
- Secured electricity supplies
- Sound data management

### COMPETITIVE RETAIL MARKETS

- Regulated prices phased out (only justified exemptions)
- Fair market access for new market players such as new services providers (e.g. aggregators)
  - Flexible network management
- Distribution operators become neutral but active market facilitator

# HOW?



**ACER**

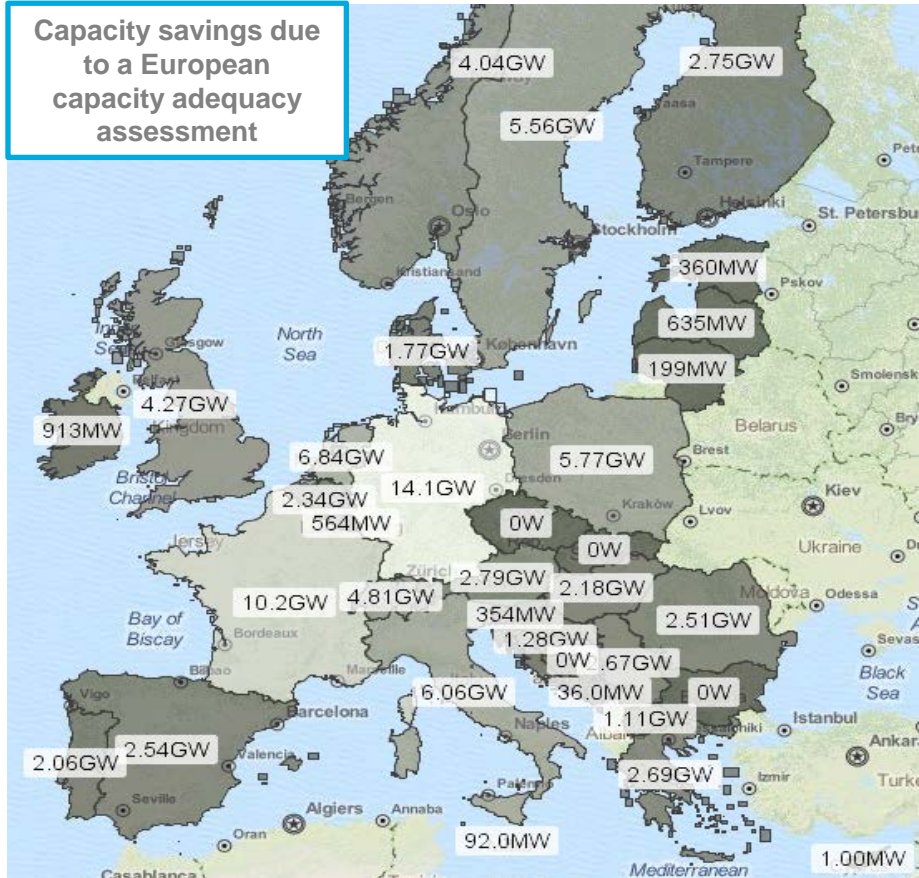
Agency for the Cooperation of Energy Regulators

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## STEPPING UP REGIONAL COOPERATION

Capacity savings due to a European capacity adequacy assessment



**Common capacity mechanisms principles** in line with the Sector Inquiry to ensure least-distortive design



Development of a **transparent European adequacy assessment** including capacity available at the border



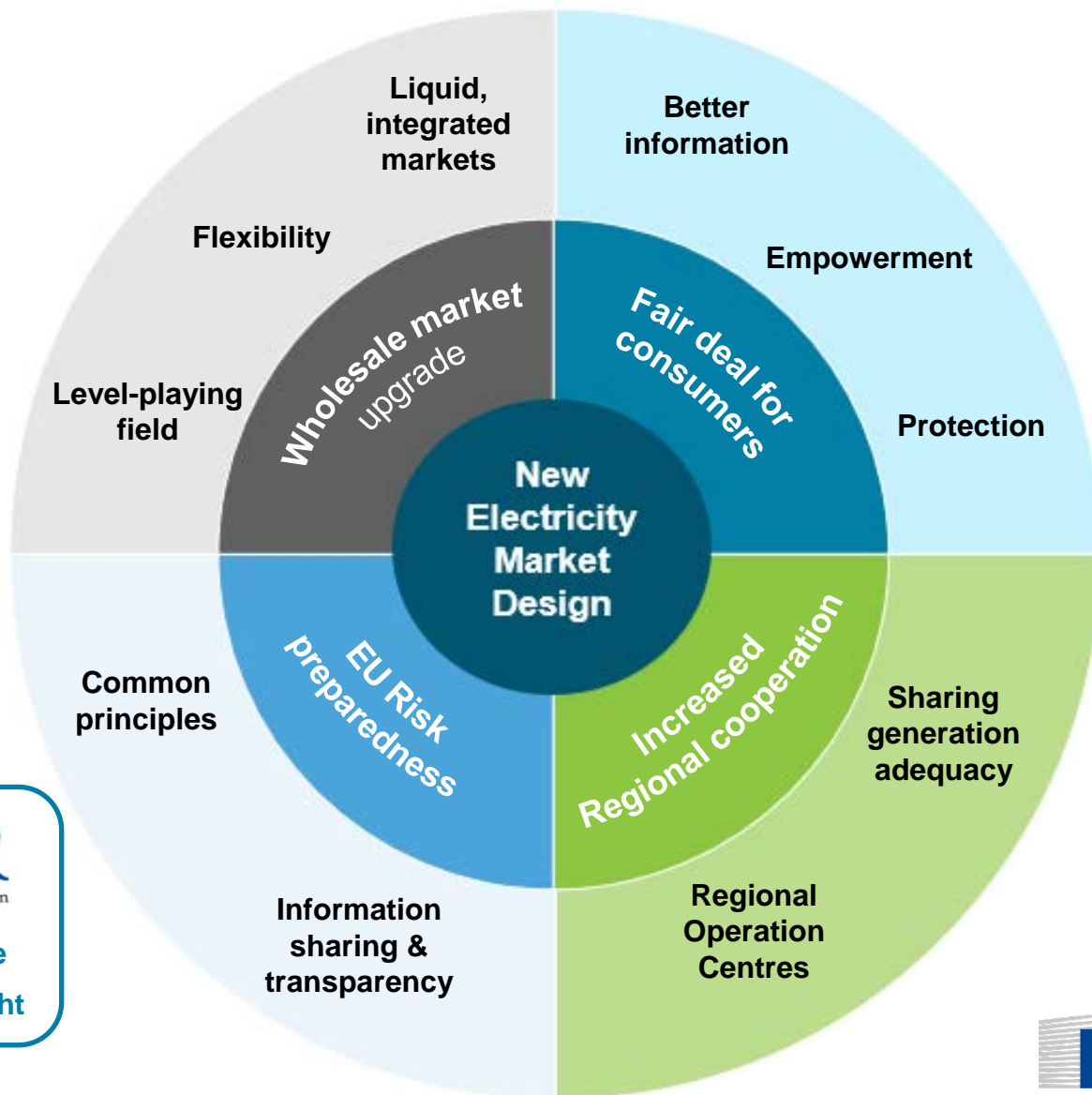
**Regional Operation Centres (ROCs)** bringing National Regulators closer together on system operation decisions



Development of **shared Methodologies** for cross-border trading of electricity at all market timeframes



# HOW?

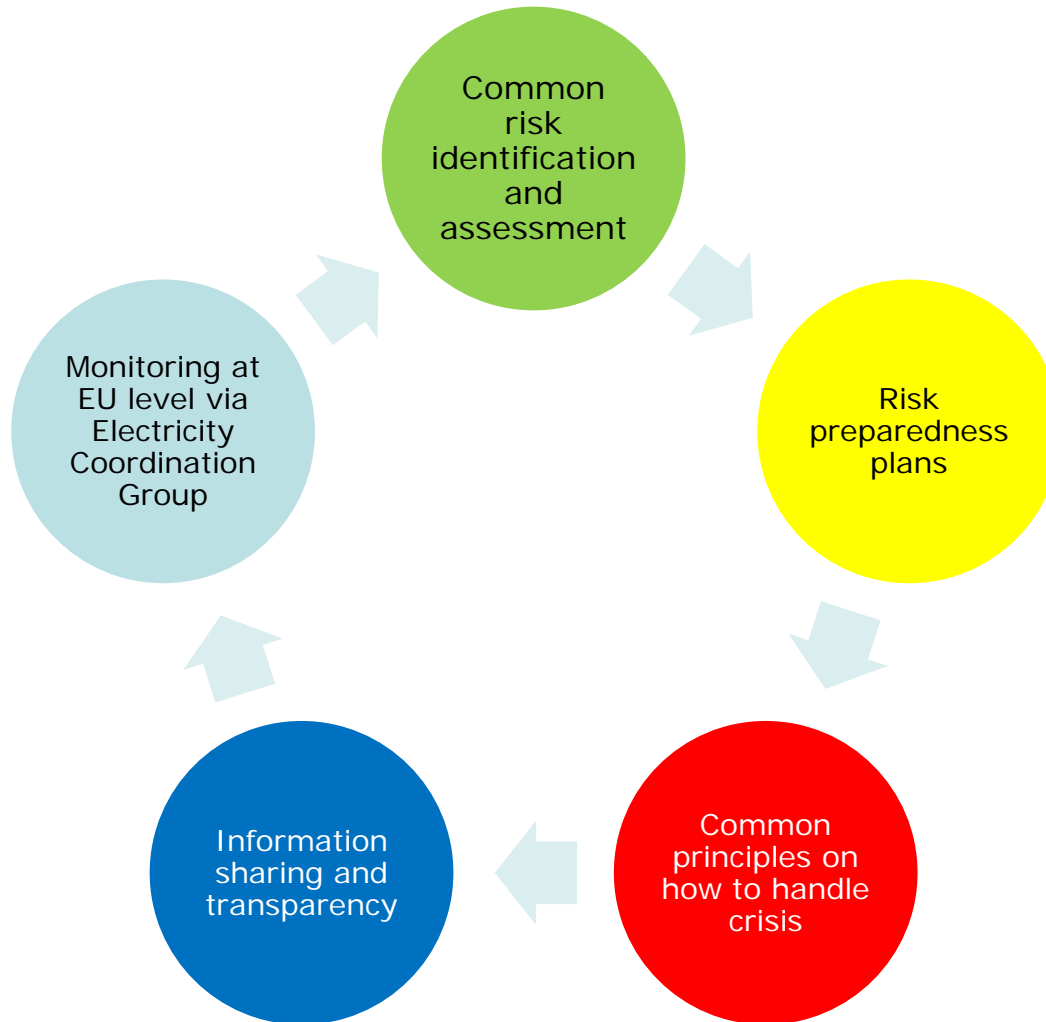


**ACER**

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**Stengthened role**

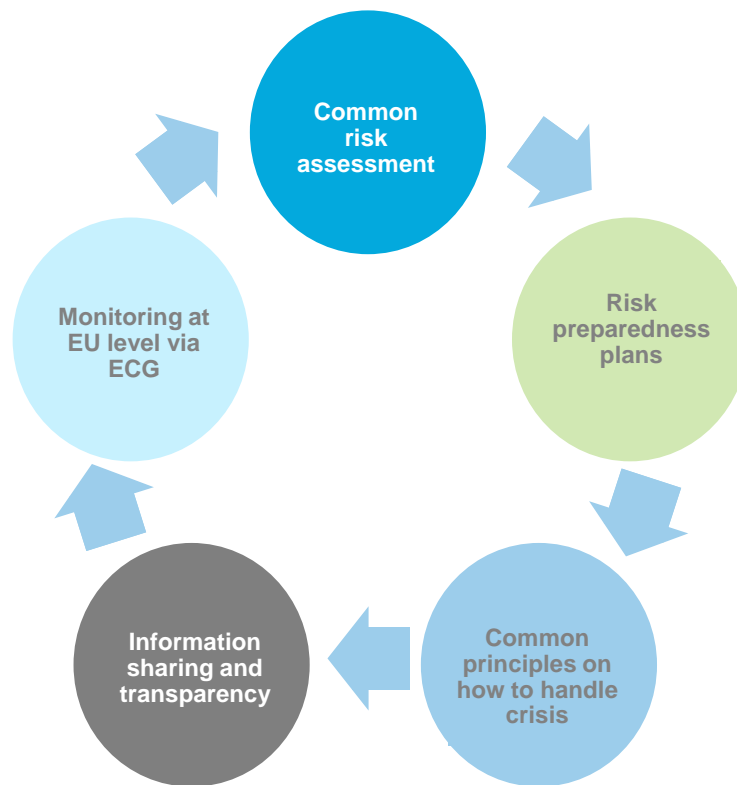
**Regulatory oversight**



# STRENGTHENING RISK PREPAREDNESS: SAFER TOGETHER

## ENHANCED COOPERATION COMES FROM COMMON RULES

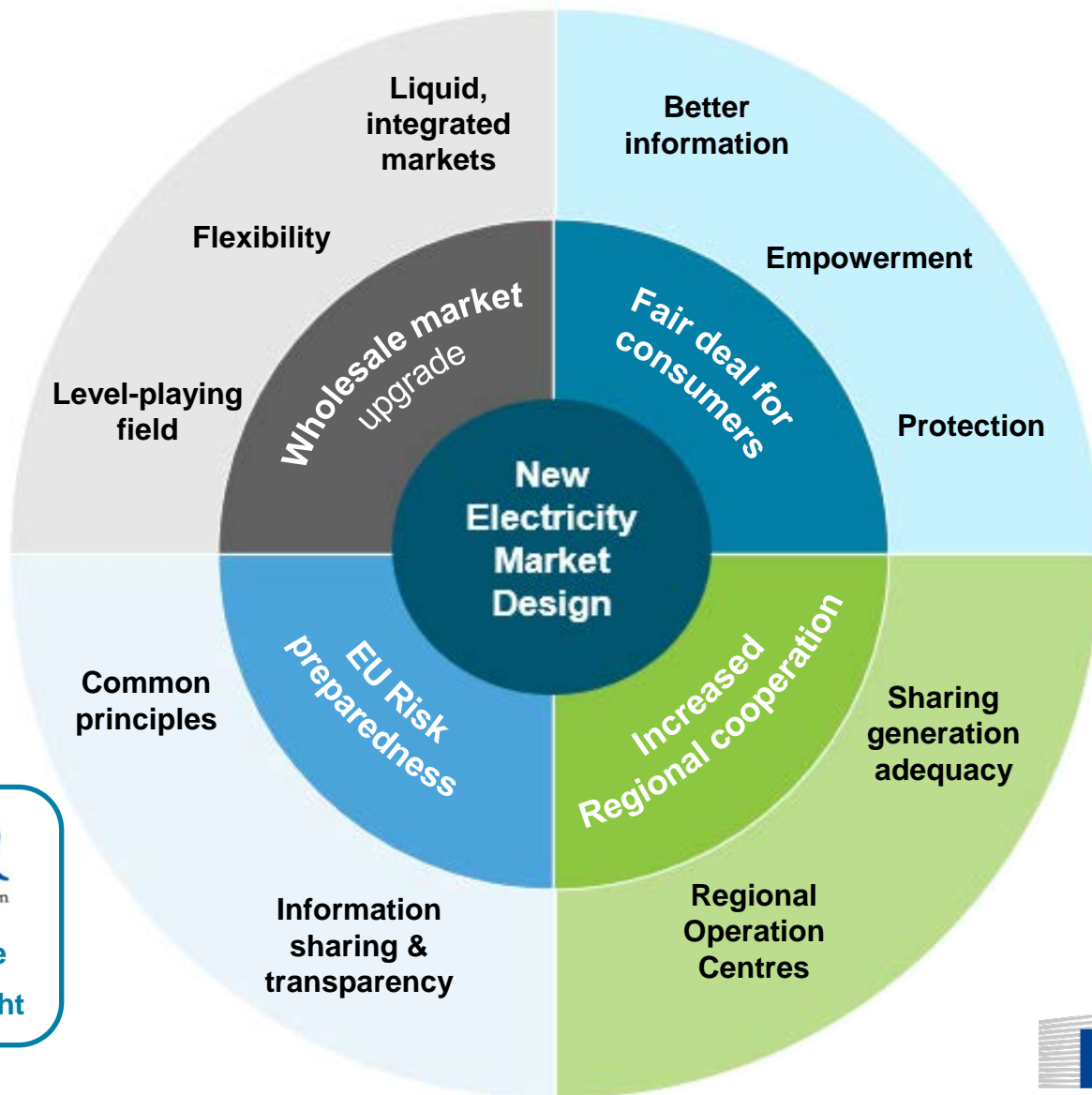
<b>Common risk identification and assessment</b>	<ul style="list-style-type: none"> <li>- Common methodology for:                     <ul style="list-style-type: none"> <li>• Identifying electricity crisis</li> <li>• Assessing short-term adequacy</li> </ul> </li> <li>- Identification of crisis scenario</li> </ul>
<b>Risk preparedness plans</b>	<ul style="list-style-type: none"> <li>- Mandatory plans and coordinated measures</li> <li>- Consultation with other Member States and Electricity Coordination Group (ECG)</li> </ul>
<b>Common principles on handling crisis</b>	<ul style="list-style-type: none"> <li>- Solidarity principle and assistance</li> <li>- Ensure market functions as long as possible</li> <li>- Non-market measures only as last resort</li> </ul>
<b>Information sharing and transparency</b>	<p>Obligation to inform EC and Member States:</p> <ul style="list-style-type: none"> <li>• In case of electricity crisis (measures and need for assistance)</li> <li>• "Early-warning"</li> </ul>
<b>EU level monitoring</b>	<ul style="list-style-type: none"> <li>- Systematic monitoring via Electricity Coordination Group</li> <li>- Harmonised indicator to monitor</li> <li>- Reporting on electricity crisis events</li> </ul>



## Cooperation with Energy Community

- Possible crisis does not stop at EU border
- Close cooperation with EnC Contracting Parties, especially regarding identification of electricity crisis scenarios and establishment of risk preparedness plans
- Participation in Electricity Coordination Group upon invitation of the Commission

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## AN AGENCY UP TO THE TASK



*A **coordination hub** for tighter European and regional cooperation  
Main engine behind the effective **implementation of market rules**  
Critical **market surveillance** functions both in wholesale and retail*

### Regional and cross-border decisions

- Setting the configuration of Regional Operation Centres and monitoring of regional performance
- Coordinator role towards National Regulators to enhance interoperability
- Approval of methodologies for cross-border trade and generation adequacy
- Approval of methodology for the identification of electricity crisis scenarios

### Wholesale markets performance

- Monitoring of market efficiency: 'flexibility barriers', price caps; bidding zone decisions, locational price signals, etc.
- Follow through the implementation of existing and new system and market operation codes
- Surveillance of Member States performance against security of electricity supply indicators

### DSO-related tasks

- Formal place for DSO to be represented at EU-level: establishment of EU DSO for electricity
- Ensure DSOs and TSOs cooperation



European  
Commission



# CLEAN ENERGY FOR ALL EUROPEANS

THANK YOU !

#EnergyUnion

