

Community

<u>Disclaimer</u>: this presentation was prepared for the sake of facilitating the discussion and is without prejudice to the final proposal by the European Commission

# Initial discussion: Incorporation of Directive 2019/944 in the Energy

Electricity Directive 2019/944: General matters

- ✓ Focus (compared to ElReg)
  - National market structure
  - Basic modes of cross-border cooperation

#### ✓ What remains from Directive 2009/72

- Third-party access
- Unbundling
- Market opening (eligibility and PSO)
- Independent NRA

#### ✓ Regulatory approach

"shall provide an enabling regulatory framework ...", "shall provide the necessary regulatory framework to facilitate ...., to allow and provide incentives..." "shall allow and foster...", "shall ensure that their national law does not unduly hamper...", "shall ensure that all customers are free to ..., are entitled to..., are not subject to discriminatory technical and administrative requirements, procedures or charges ...." etc

**Electricity Directive 2019/944: General matters** 

#### ✓ Context: The New Energy World

**Energy Community** 

- Digitalization and data management
- Decentralization
- Electrification for Decarbonization
- Legislation based on targets (ie interconnection targets) and plans (Governance Regulation)

## ✓ Additional focus (compared to Directive 2009/72)

- From consumer protection to empowering the consumer to participate in all markets
- Enhancing flexibility by regulating/enabling flexibility services
- Extending unbundling logic to storage
- Integration of electro-mobility in the electricity networks



# **Electricity Directive 2019/944: New elements**

## ✓ Focus on flexibility services and smart technologies

- Prosumers separation of produced and consumed electricity
- Smart meters still optional (subject to cost-benefit analysis) but to be offered on request, functionalities defined, security and data protection
- Demand response and aggregation
- Energy storage
- Aggregation contracts with customers
- Recharging
- Underlined importance of all market participant's balancing responsibility, lessons learned from renewables



# **Electricity Directive 2019/944: New elements**

- **Additional market participants** 
  - Final customers free (have more than one electricity supply contract at the same time) and active ("a final customer, or a group of jointly acting final customers, who consumes or stores electricity generated within its premises located within confined boundaries …, or who sells self-generated electricity or participates in flexibility or energy efficiency schemes, provided that those activities do not constitute its primary commercial or professional activity")
  - Citizen energy communities (voluntary cooperatives controlled by natural persons, local authorities and SME, may also manage distribution)
  - Aggregators ("a natural or legal person who combines multiple customer loads or generated electricity for sale, purchase or auction in any electricity market")
  - Storage operators
  - Network operators (DSO, TSO) tasks procure flexibility services, prohibited in principle from owning/operating storage and recharging points, connection of RES and storage etc
  - Additional tasks for NRA



- ✓ In particular: Customers' rights and price regulation
  - Supplier switching rules (within three weeks, free of charge with exceptions)
  - Entitlement to comparison tools, dynamic price contracts (linked to spot market price)
  - Price regulation
    - price regulation to be notified and justified
    - only temporary
    - cost-reflective
    - accompanied by pro-competitive measures
    - impact assessment and monitoring
    - consumer information and smart meters offered
  - Universal service for HH and SME, supply of last resort and general PSO
  - Energy poverty and vulnerability



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