



CLEAN ENERGY FOR ALL EUROPEANS

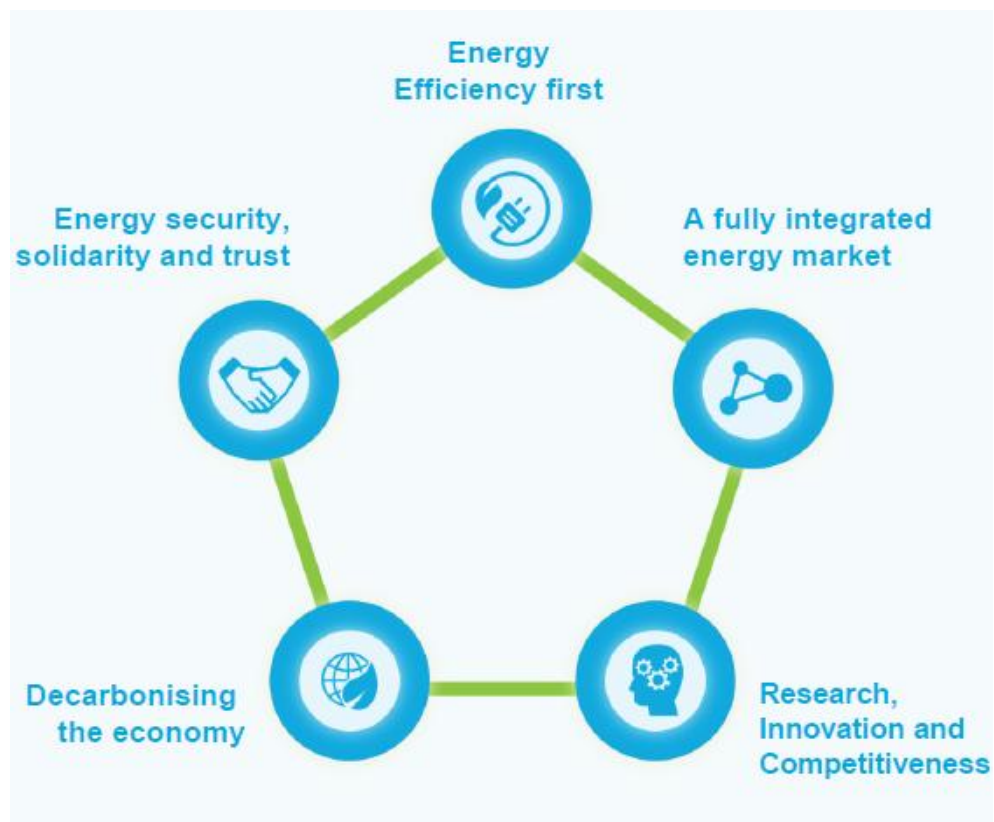
The Package

#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

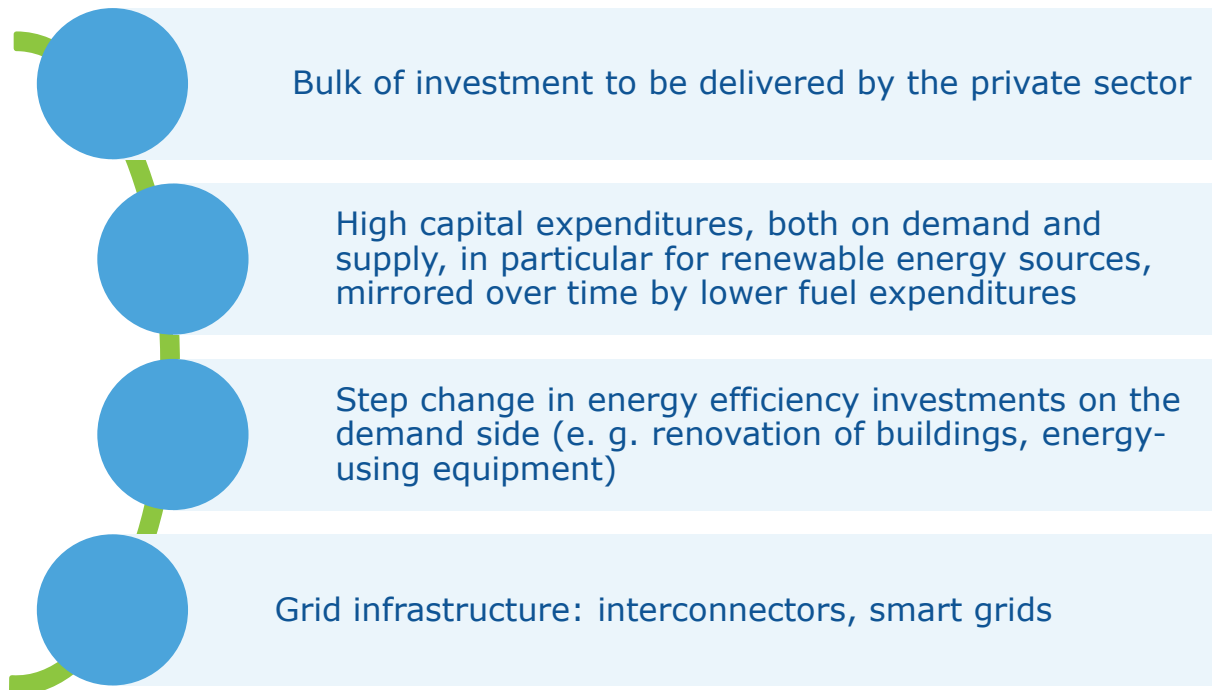
Empower
consumers

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



Energy Union Governance



Energy Efficiency
(Energy Efficiency Directive, European Performance of Buildings Directive)



Renewables
(Revised Renewable Energy Directive)



New Electricity Market Design



Energy prices and costs report



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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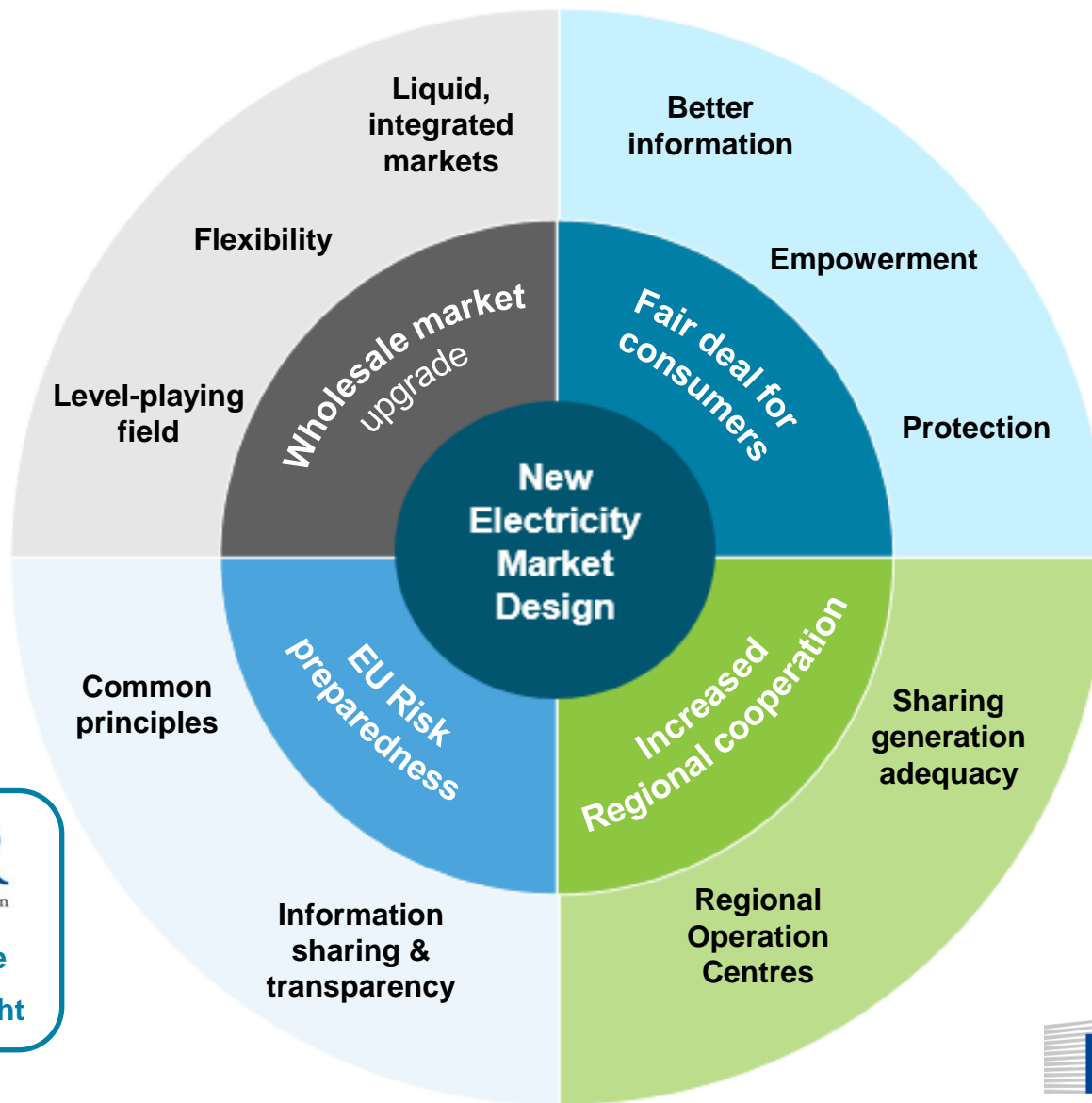


Enable **active consumer participation** and ensure that **consumers are protected and benefit** from progress in energy technologies



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

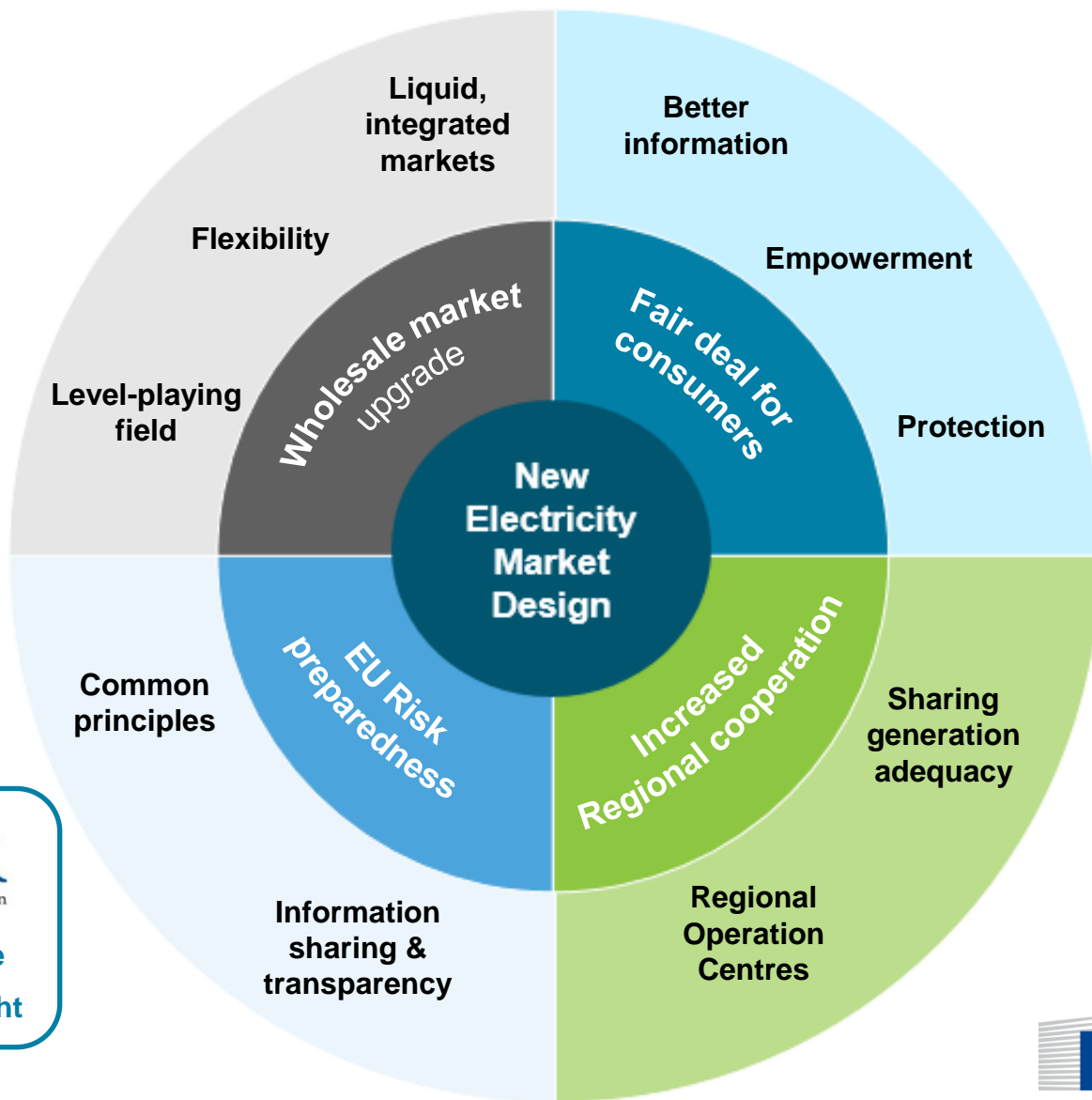
Extended **balancing** responsibilities

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

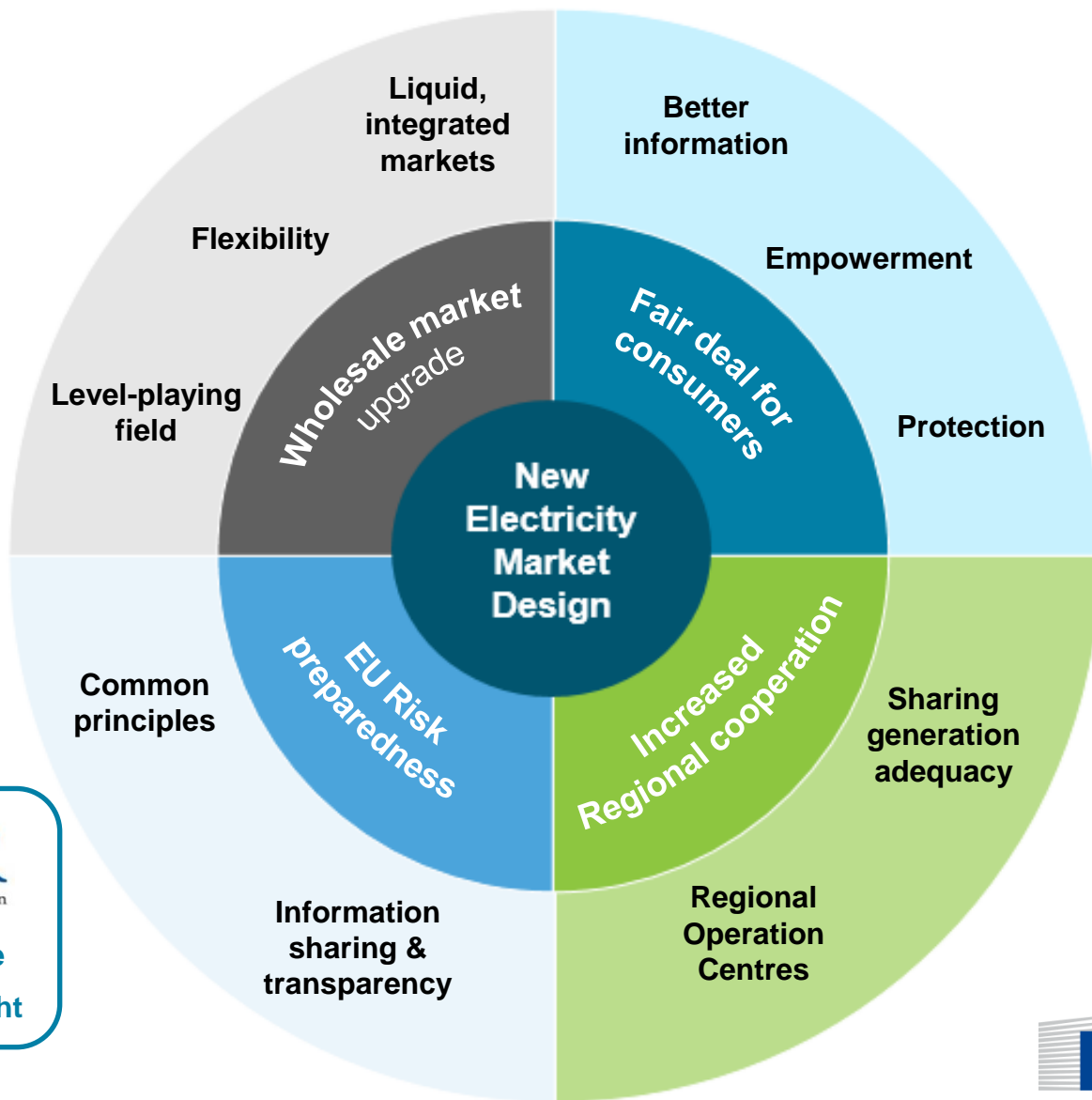
PROTECTED

- 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?



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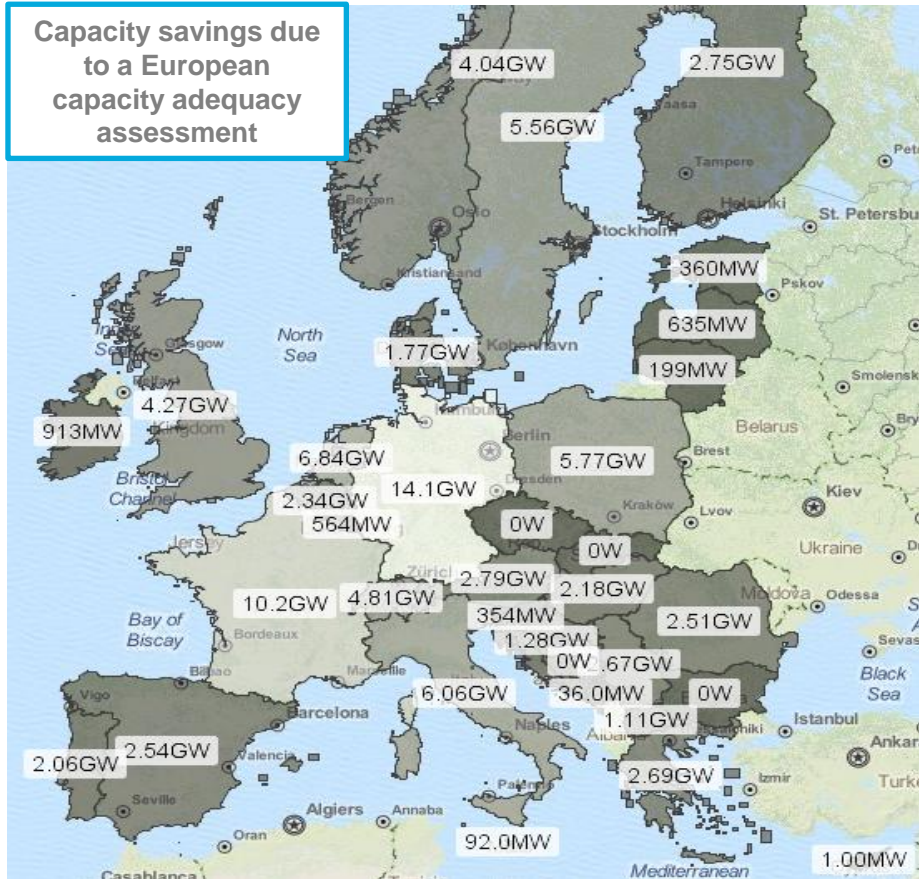
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STEPPING UP REGIONAL COOPERATION

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

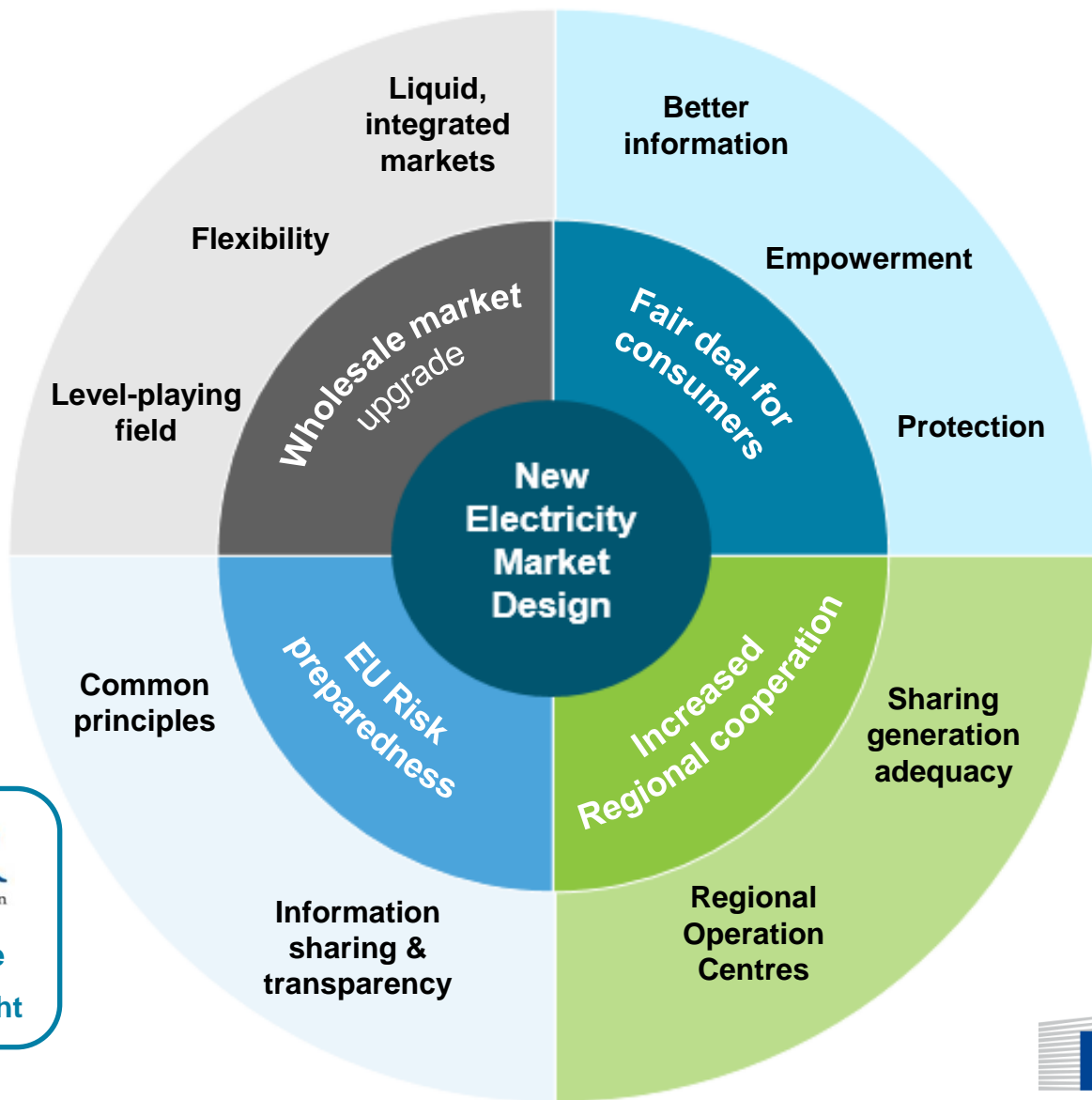


Regional Operation Centres (ROCs) bringing National Regulators closer together on system operation decisions



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

HOW?



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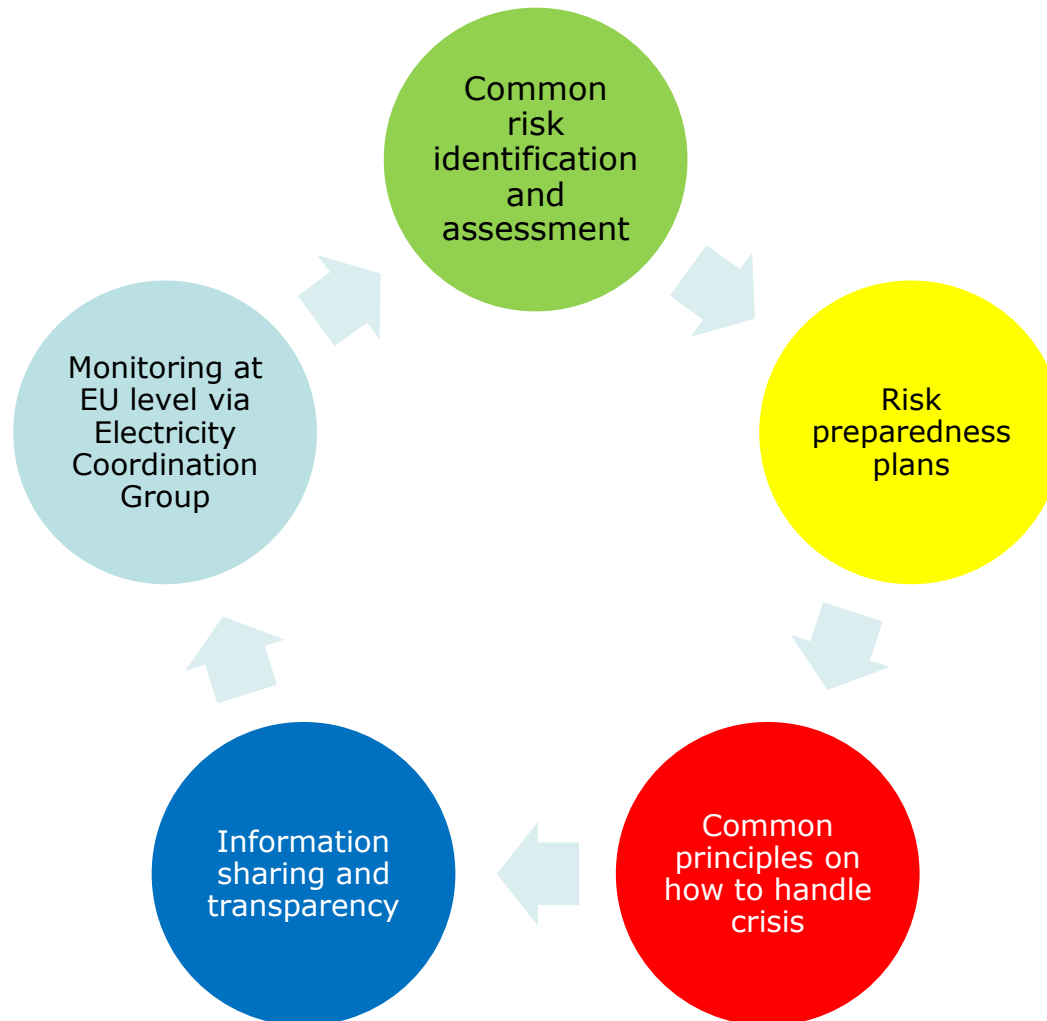
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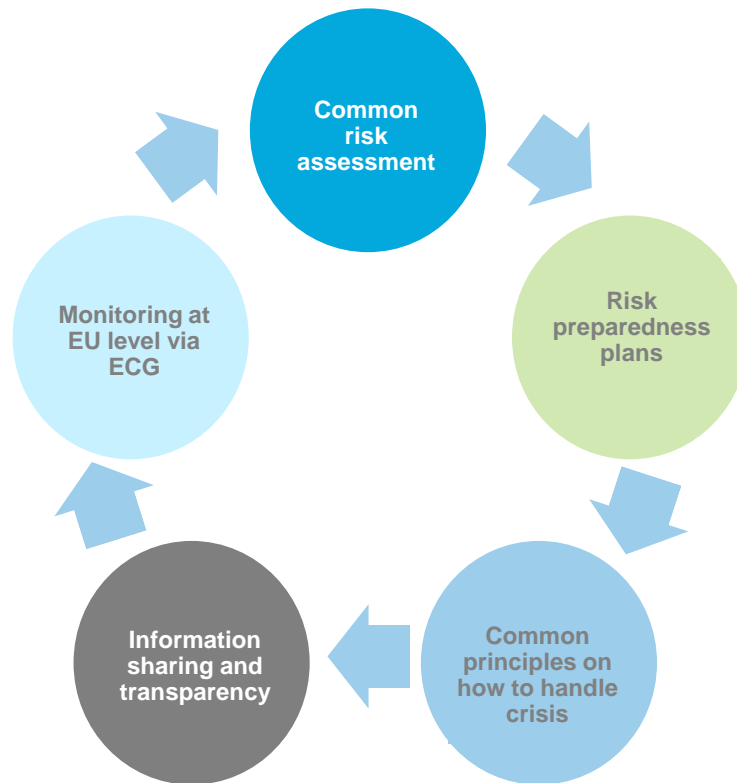
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STRENGTHENING RISK PREPAREDNESS: SAFER TOGETHER

ENHANCED COOPERATION COMES FROM COMMON RULES

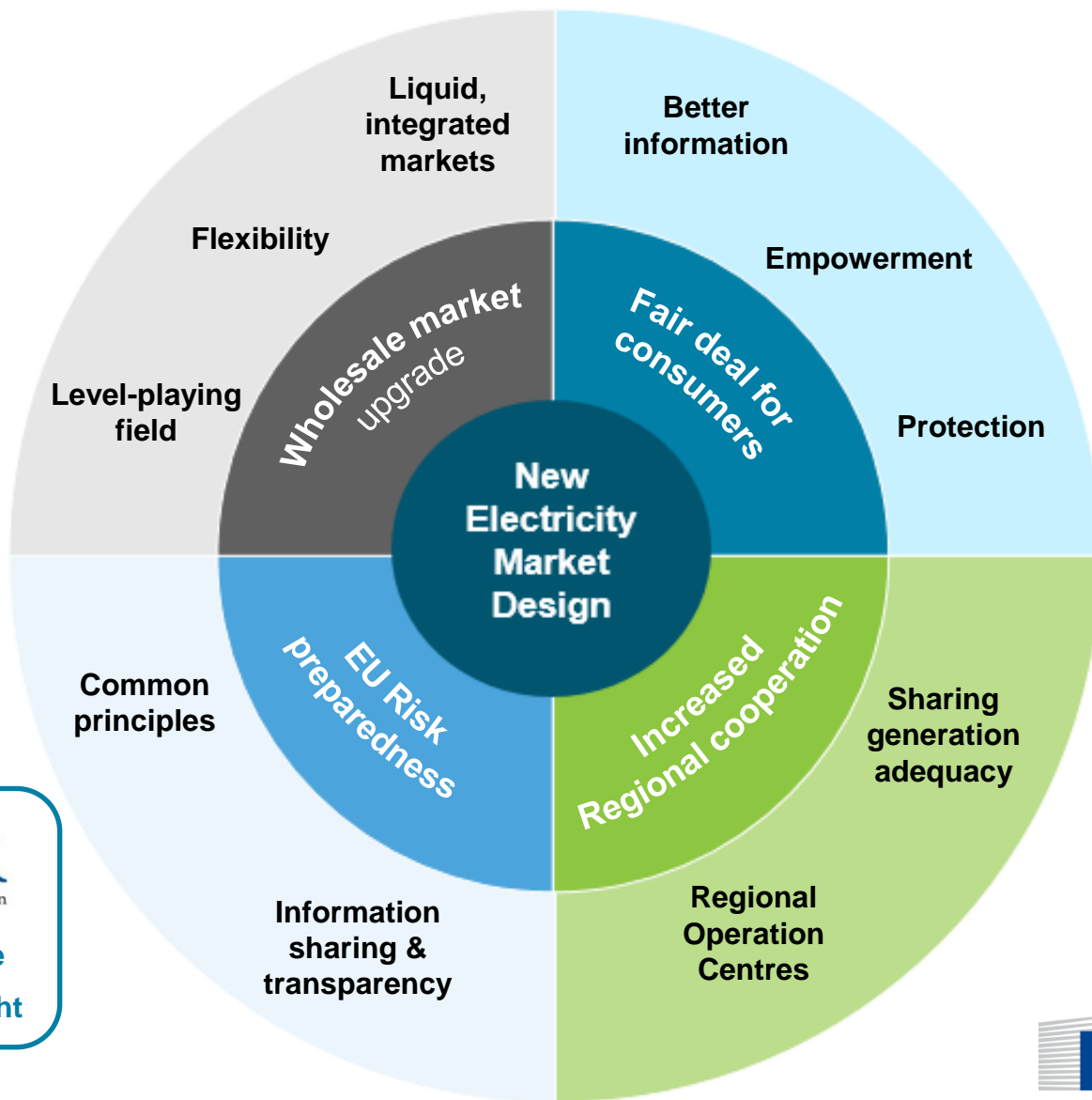
Common risk identification and assessment	<ul style="list-style-type: none"> - Common methodology for: <ul style="list-style-type: none"> • Identifying electricity crisis • Assessing short-term adequacy - Identification of crisis scenario
Risk preparedness plans	<ul style="list-style-type: none"> - Mandatory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



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

HOW?



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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



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THANK YOU !

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