

ENTSO-E, EURELECTRIC and smartEn joint statement on demand response aggregation in the proposed electricity directive

For the attention of the European Parliament and Council

The signatories of this statement are of the view that demand response is an effective way to provide flexibility to the energy system, and should compete on a level playing field with generation resources in all electricity markets and mechanisms.

In order to enable this, we welcome the initiative in the proposed electricity directive, to aim at establishing a clear framework for demand response, in particular explicit demand response, where flexibilities (e.g. loads, storage) are controlled by (independent) aggregators.

Our associations welcome Rapporteur Kariņš' amendments as a good basis, and would like to propose a clarification to the text and ensure a technically robust approach.

In our view, it is important that the framework enables the consumer and the aggregator to work together, enter the market without prior agreement of the consumer's supplier and share the necessary information between the impacted parties. While different approaches should be possible to achieve this, the framework needs to cover the following elements to be robust and fair for all parties involved:

- Art. 17.3 (d): Ensuring that market participants are remunerated for the energy they actually feed into the system during the demand response period;
- Art. 17.3 (ba): Accounting for the flexibility that is sold by the aggregator in all affected balance responsible parties' positions. For this article, our associations propose the following additions and changes to Rapporteur Kariņš' text:

Text of rapporteur Kariņš	Proposed amendment
(ba) transparent rules and procedures to ensure that the impact of the activity of aggregators or of other market participants are not considered to be imbalances for the impacted balance responsible parties;	(ba) transparent rules and procedures to ensure that the impact of the activity of aggregators or of other market participants are properly accounted for in their balance responsible parties' positions and hence will not lead to imbalances for the impacted balance responsible parties;
<p><u>Justification:</u></p> <p><i>This proposed amendment is to clarify that – as a result of a demand response activity – the positions of the affected balance responsible parties have to be updated accordingly to avoid undue imbalance penalties. This is an active process, where balance perimeters are corrected. While we believe the spirit of Kariņš' text was the same, the amended wording makes this clearer.</i></p>	