

# FOR ALL EUROPEANS

Renewables & Wholesale Market Design – Update Dublin, April 13<sup>th</sup> 2018



**Elaine O'Connell European Commission – DG ENERGY** 

# CONTEXT

# MORE POWER COMING FROM RENEWABLES

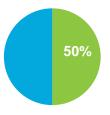




2014

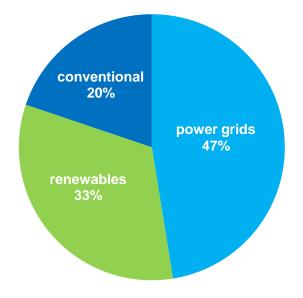


2030



Today up to 90% of variable renewable electricity is connected to distribution grids

# **INVESTMENT NEEDS FOR POWER: €75 bn PER YEAR FOR 2021-2030**





# WHY DO WE NEED THIS PACKAGE?

### THE ENERGY SYSTEM OF TOMORROW WILL LOOK DIFFERENTLY

2030

50% of electricity to come from renewables



2050

Electricity completely carbon free





Ambitious **energy and climate commitments** 



With leadership comes responsibility

Unique opportunity to modernise our economy and to

boost competitiveness

create the growth and jobs we need



# **HOW** DO WE GET THERE?

### THE RIGHT REGULATORY FRAMEWORK FOR POST – 2020

" In essence the new package is about tapping our green growth potential across the board"

Commissioner Miguel Arias Cañete (2016)





# **RES-relevant provisions in the Package...**

### Governance Reg.

- Integrated national energy and climate plans (art 3, art 13)
- · Integrated national energy and climate reports (art 15, art 18)
- Assessment of progress (art 25)
- Response to insufficient ambition and progress (art 27)
- Commission recommendations (art 28)
- Template for national plans (Annex I)
- MS reporting obligations for RES (Annex VII)

### **Electricity Reg.**

- Balancing responsibility (art 4)
- · Balancing market rules (art 5)
- DA and ID market rules (art 6-7)
- Priority dispatch (art 11)
- Priority access / curtailment (art 12)
- · Network planning (art 12)
- T&D network tariffs (art 16)
- · ENTSO-E tasks (art 25)
- Network codes on curtailment + grid tariffs (incl. connection charges) + ancillary services (art 55)

# RED II



### Electricity Dir.

- Entitlement to a dynamic price contract (art 11)
- Aggregators (art 13, art 17)
- · Active / self-consumers' rights (art 15)
- Local energy communities' rights (art 16)
- Smart metering (art 19-21)
- Ancillary services by DSOs (art 31) and TSOs (art 40)
- Integration of electro-mobility in networks (art 33)
- Gos mandatory for RES-e disclosure (Annex II)

### **EED**

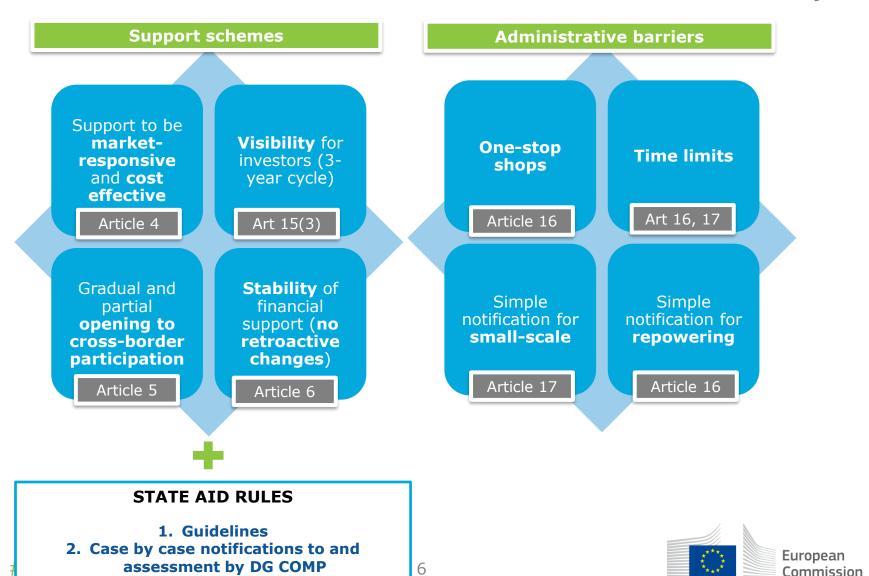
- · Energy savings obligation (art 7)
- · Metering obligations for H&C (art 9a)
- Billing and consumption information (art 10, Annex VII)
- · Update of the PEF (Annex IV)
- Common method for calculating energy savings (Annex V)

### **EPBD**

- Definition of technical building systems (art 2)
- Long term renovation strategies (art 2)
- Smart finance for smart buildings (art 2)
- Charging points / pre-cabling requirements (art 8)
- Calculation of EPBD (Annex 1.2)



# **RED II COM PROPOSAL: A Stable Framework for Renewable Electricity**



# WHOLESALE MARKET DESIGN



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



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



# WHERE?

# **Electricity Regulation (RECAST)**

Contains majority of new wholesale rules

# Electricity Directive (RECAST)

• Contains majority of new retail provisions

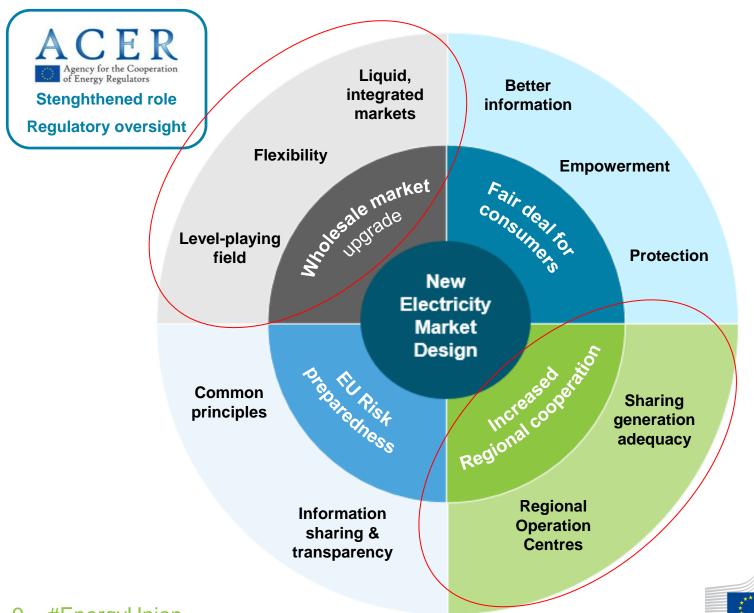
# ACER Regulation (RECAST)

ACER tasks and procedure

# Regulation on Risk preparedness (NEW)

 Member States put in place appropriate tools to prevent, prepare for and manage electricity crisis situations





European

Commission

# E-Regulation COM PROPOSAL: MARKETS FIT FOR PURPOSE

### 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)

# **Regional cooperation**

**Regional Operation Centres (TSOs)** 

Common rules on crisis prevention

European framework for capacity remuneration

New tasks for ACER

# **Enhancing System Flexibility:**

INTEGRATION OF RENEWABLES

MARKET-DRIVEN INVESTMENTS

## Level-playing field among sources

Removal of **priority dispatch** for new projects

**Curtailment** rules

**Remuneration** on equal terms on market principles

Extended balancing responsibilities

Non-discriminatory charges for **distributed generation** 

### No discrimination of cross border trade

Market principles from **Network Codes/Guidelines** to The Electricity
Regulation

Do not push **congestion** to the border

Commission decision on bidding zones





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