

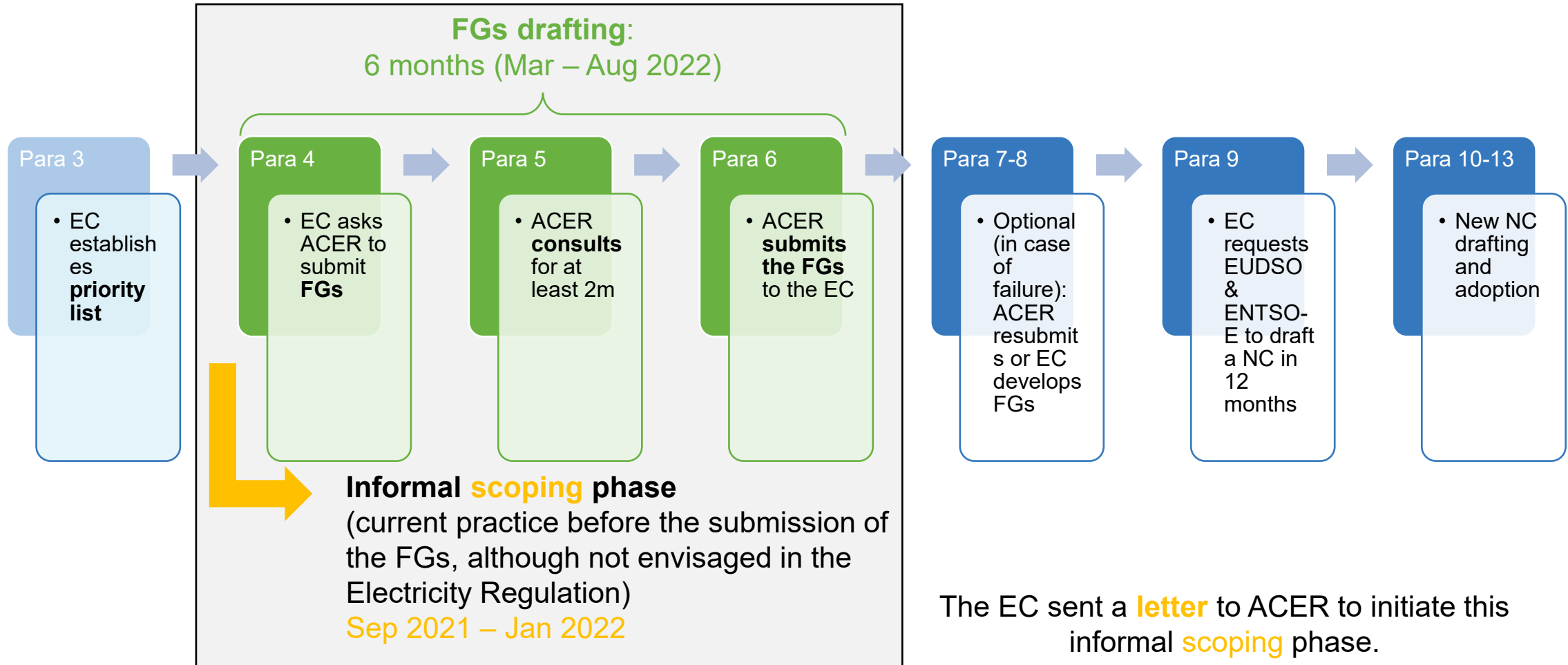
ACER update on DSF

- Article 59 of the Electricity Regulation¹ defines the **process for the establishment of network codes**, with the aim **to ensure uniform conditions for the implementation of the Regulation** in different areas.
- One of the areas is rules in relation to **demand response**, including rules on **aggregation, energy storage, and demand curtailment** rules.
- The process starts with the Commission **establishing a priority list**, identifying the areas to be included in the development of network codes.
- In its recent Decision² the Commission identified as priority, for the **development of harmonised electricity rules**, the rules regarding **demand side flexibility**, including rules on **aggregation, energy storage and demand curtailment** rules.

¹ Regulation (EU) 2019/943 of 5 June 2019 on the internal market for electricity

² Commission Implementing Decision (EU) 2020/1479 of 14 October 2020 establishing priority lists for the development of network codes and guidelines for electricity for the period from 2020 to 2023 and for gas in 2020

Article 59 of the Electricity Regulation



Scoping

- identify the areas that fall under the requirements as set in the **priority list**, and
- should be included in a **European framework**

Framework guidelines

- specify the **content of the European framework**,
- the objectives and
- the principles

Throughout this scoping (and FGs drafting) phase, **ACER will consult with stakeholders**, in order to gather also their views and proposals, which will be duly considered.

On 15 December a **stakeholders workshop** was held with the aim to provide the stakeholders with the opportunity to express their views and affect the outcome of the scoping.

Expert group on DSF:

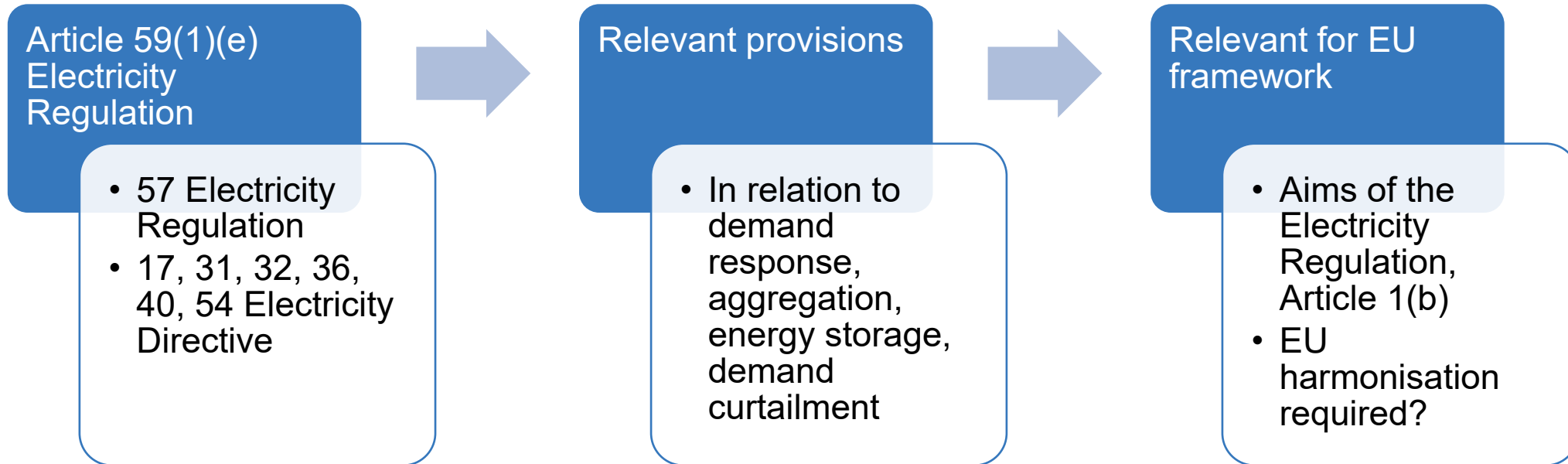
- Following ACER's open call in June-July, an ad hoc expert group was established.
- It consists of 12 expert stakeholders (DSOs, TSOs, academia, market participants), and observers from the EC, DSOs, TSOs, NRAs; it is convened by two chairs (ACER and NRA representatives).
- Its aim is to provide expert input, in the form of an advice, in the ACER/NRAs' discussions during the scoping and the framework guidelines drafting.

In order to provide full transparency to the public, the composition as well as minutes of the Expert group meetings are published on ACER's dedicated webpage.

[Expert group on demand side flexibility | www.acer.europa.eu](http://www.acer.europa.eu)

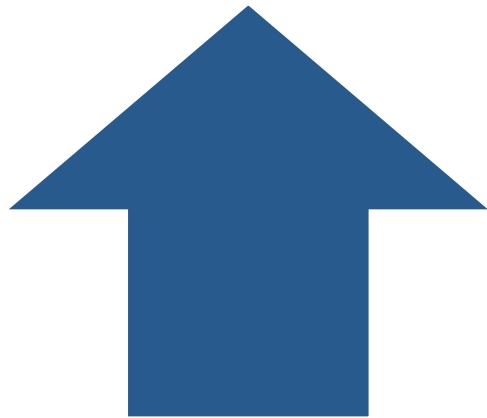
Content of the scoping exercise

- During the scoping we need to **identify** which of the abovementioned **areas** are relevant for inclusion in a **European framework**.
- This includes among others:
 - the kind of **products, markets and services**;
 - the kind of **market participants and service providers** (such as loads, generation, storage);
 - the processes required for **information and data exchange**;
 - the processes for the **coordination between system operators** and between **different market timeframes**.
- What this exercise is **NOT** about: the aim of **the scoping is not to determine** whether a European framework for the development of DSF should consist in the development of a new network code, in amendments of existing network codes and guidelines, or both.



It is important to note that the Articles used as legal basis (as included in Article 59(1)(e) ER) may direct to other Articles in the ED or ER, which should also be taken into account in the next steps of the process.

Finding the right level of harmonisation



European harmonization

- XB relevance
- Market integration vs. fragmentation
- Unlock flexibility by facilitating market access for international providers
- Need to adapt existing rules that were written for bigger assets
- Potential gain of harmonizing before implementing widely different models



National network codes which do not affect cross-zonal trade

- Local/regional specificities
- Different maturity levels
- Less direct interaction between local markets
- Too detailed European rules may become a barrier

Thank you!

Any questions?



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