



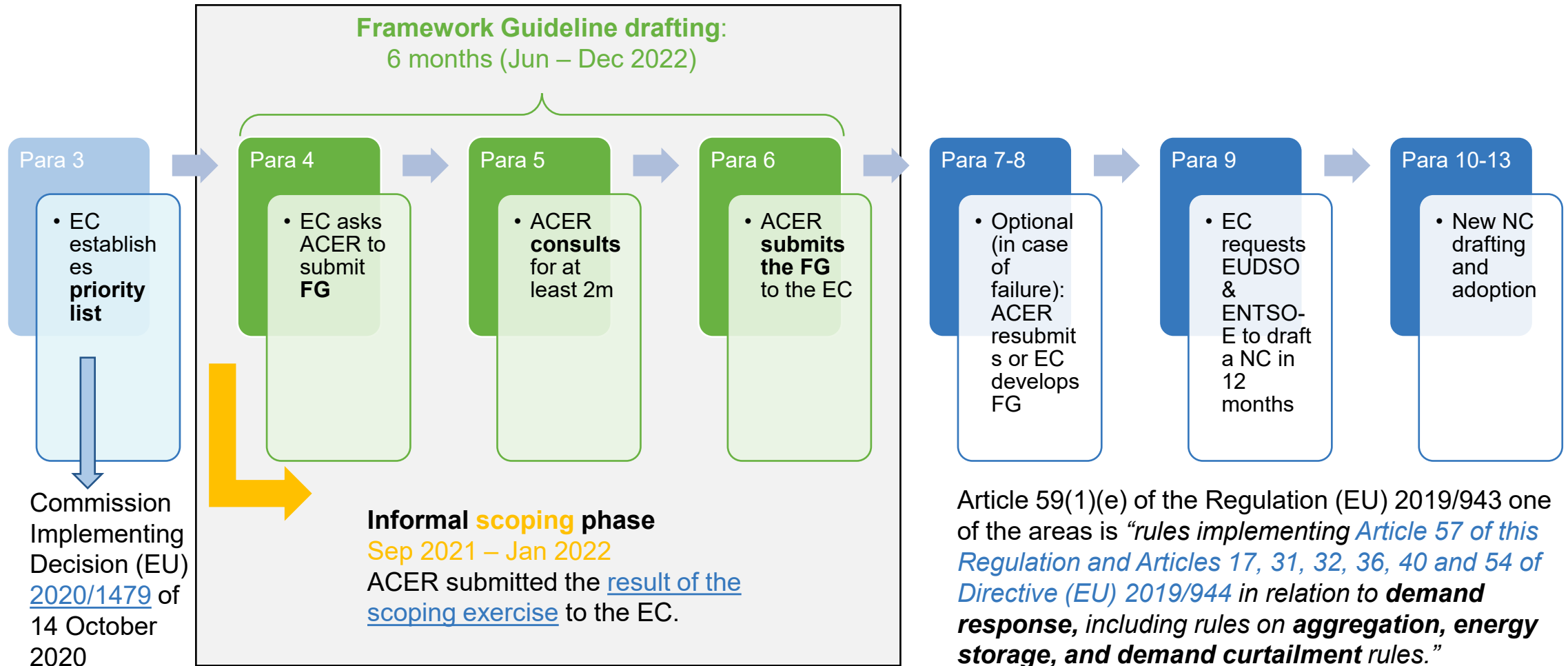
European Union Agency for the Cooperation  
of Energy Regulators

# Framework Guideline on Demand Response

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# New European rules on Demand Response

## Process based on Article 59 Electricity Regulation



# Scoping results: general considerations

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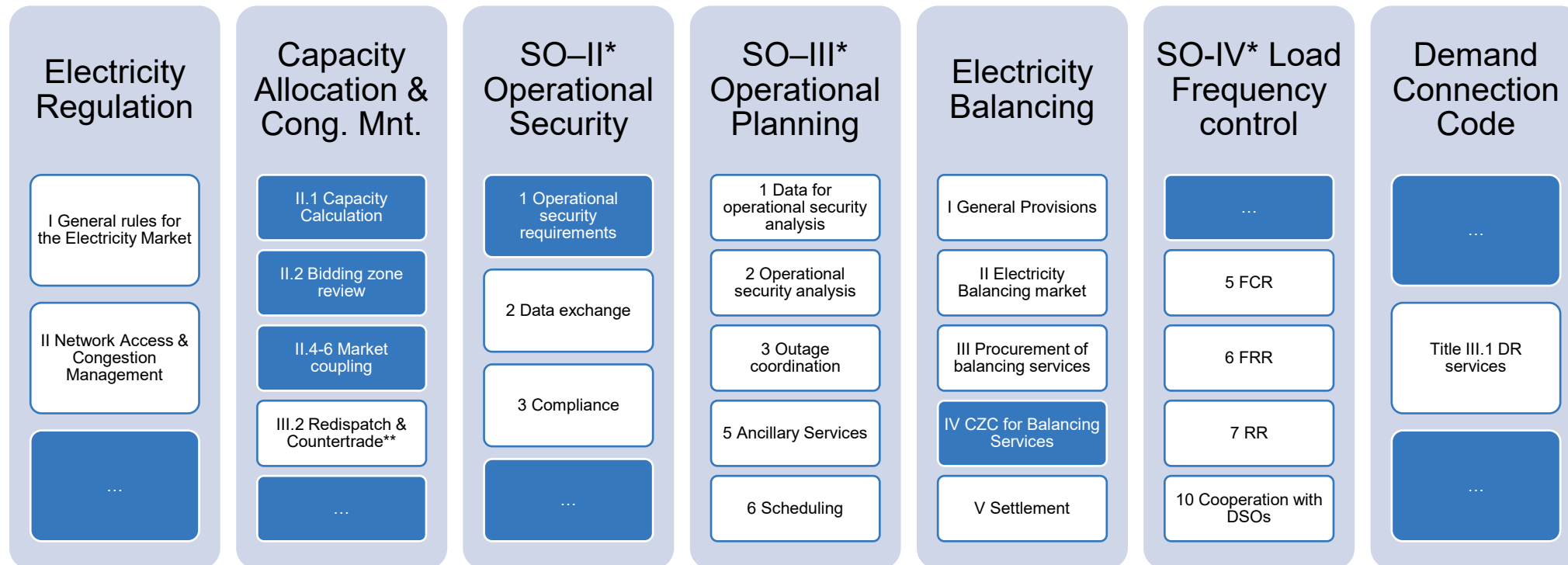
- Demand response and other relevant resources **do not participate** to a large extent in European electricity markets.
- A future European framework should
  - Ensure that **no undue regulatory barriers hamper participation** in existing markets
  - **Enable participation** in market based procurement of **services needed by the system operators**
- **Uncertain benefits** of defining **Europe-wide target models** today
- Need to establish a **common terminology and principles, common requirements** for certain processes, and to define how **further harmonisation should be established when and where necessary** once sufficient knowledge is reached.
- European harmonisation to achieve the aims of the Electricity Regulation vs. national network codes:
  - **Market integration**
  - **Interaction** of local markets with cross-border markets
  - **Too fragmented local markets** may be **detrimental** to effective **participation**, whereas sufficiently harmonised rules will help unlock the potential

# The framework guideline as a deliverable

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- It is important to note that the FG is a **high-level document** and should not be confused with the new rules that should be developed in the next phase.
- The FGs include **objectives**, **principles**, **processes**, **definitions** and **high-level requirements**.
- The new rules, which will be developed in the next phase, **should be compliant** with the principles and requirements included in the FG.
- For the **public consultation**: you are invited to express your **agreement or disagreement** on the requirements of the draft FG, both on the general provisions regarding the scope, but also on more specific aspects in the topics that are of utmost interest for you, **providing also comments** where you deem it necessary.

- The new rules shall be applicable to all resource providers as well.
- The new rules shall apply to all System Operators (SOs); as concerns SO coordination, the new rules shall apply to DSO-DSO coordination and DSO-TSO coordination, excluding TSO-TSO coordination.

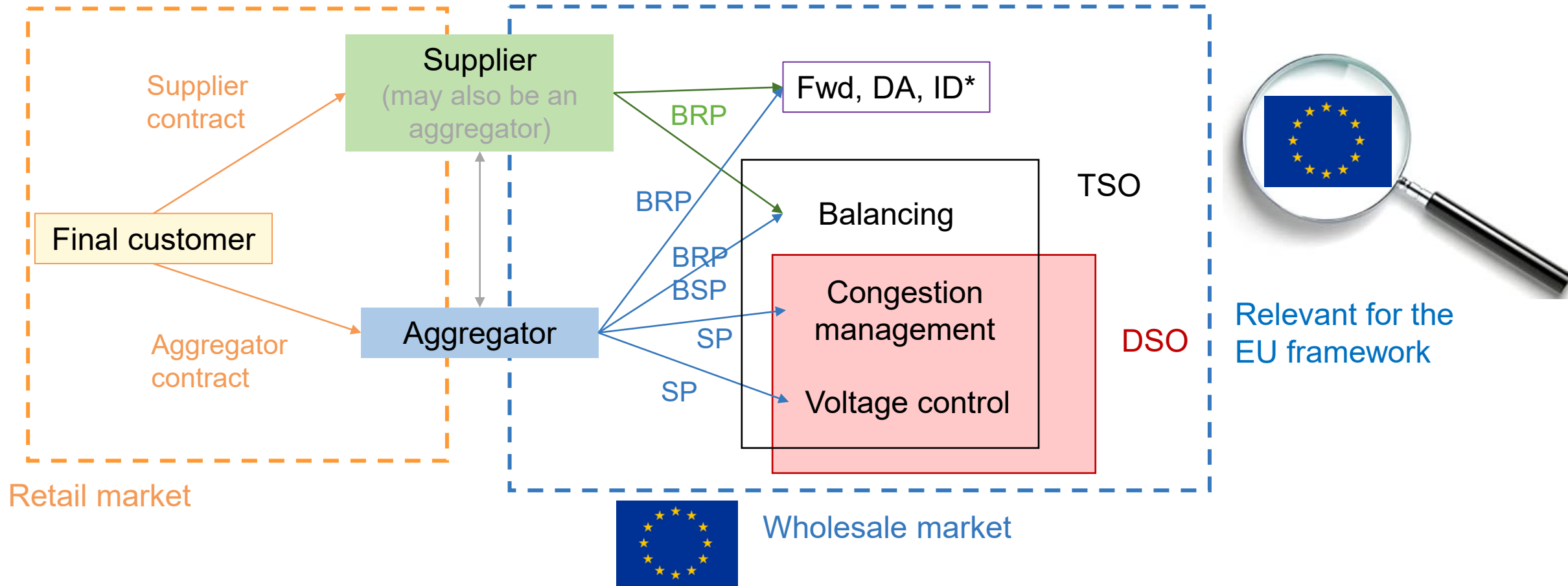


\* = due to the size of the SO regulation it was split into the three main parts II, II and IV in this overview

\*\* = The ACER recommendation on CACM 2.0 proposes to move this chapter and the provisions on CGM and GLDP to the SO part III on Operational planning

# European focus: wholesale electricity markets

Market participants engaged in aggregation: **wholesale electricity markets** in focus



\* Although Forward, Day-ahead and Intra-day markets are considered relevant for the new rules, they are addressed **indirectly**.

# Main topics for the framework guideline

General requirements for market access	Prequalification	SOs interactions and data exchange	Congestion management	Voltage control
<ul style="list-style-type: none"> <li>• Requirements to be further specified and clarified at European level, to <b>ensure a level playing field</b> for the participation of all the resources in <b>the electricity wholesale markets</b></li> <li>• Aggregation models</li> <li>• Baseline &amp; measurement</li> <li>• Imbalance settlement</li> <li>• Frequency containment reserve</li> <li>• SO-owned storage facilities</li> </ul>	<ul style="list-style-type: none"> <li>• European principles for the prequalification, in order to smoothen the process and <b>lift any unnecessary entry barriers</b> for the participation of all the resources</li> <li>• Avoid duplications in the prequalification processes</li> <li>• Simplification of the prequalification processes</li> </ul>	<ul style="list-style-type: none"> <li>• Principles for the coordination of local markets with wholesale markets, and between TSOs/DSOs, ensuring <b>coherence in the interaction across different markets and different time frames</b></li> <li>• Market interaction</li> <li>• Operation of local markets</li> <li>• SOs coordination</li> <li>• Data exchange</li> </ul>	<ul style="list-style-type: none"> <li>• Requirements for the <b>market-based procurement of products used for congestion management</b></li> <li>• Products</li> <li>• Procurement and pricing</li> <li>• Transparency and information provision</li> <li>• Network development plans</li> <li>• Harmonisation process</li> </ul>	<ul style="list-style-type: none"> <li>• Requirements for the <b>market-based procurement of products used for voltage control</b></li> <li>• Products</li> <li>• Procurement</li> <li>• NRA assessment</li> <li>• Reporting</li> </ul>

Stakeholders are invited to express their views in the **public consultation** that is expected to be launched in **June** (a **public workshop** will also be organised).

# Thank you. Any questions?

The contents of this document do not necessarily reflect the position or opinion of the Agency.



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