### EREF European Renewable Energies Federation







# Electricity consumption and production: is balancing responsibility "renewables-proof"?

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#### **EREF**



 Federation of national renewable energy associations from EU Member States, representing all sectors





defend the interests of independent power, fuel and heat production from renewable sources



promote non-discriminatory access to the energy market



> create, maintain and further develop stable and reliable framework conditions for renewable energy sources

- Advocacy work on European and national levels
- Complaints and court cases against unfair favoritism for nuclear and fossil power

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## Vision: a fundamental transformation of Europe's energy system



 Current status: fossil fuel and nuclear based, national, central energy system with oligopolies



> Transformation to: renewable energy and energy efficiency as centre piece for a new flexible EU energy system



Promotion of all renewable energy sources and technologies



 Decentralised energy system with multitude of independent power producers, energy cooperatives and communities, paired with large scale RES provider

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## Vision: a fundamental transformation of Europe's energy system



- Regional cooperation
- Adapted transmission and distribution infrastructure;
   European interconnectivity



- Intraday and common balancing markets
- No capacity markets and mechanisms



- > Further developed interaction between three sectors
- Demand-side management



- Storage
- Digitalisation
- Schemes involving virtual sharing of RES electricity by multiple consumers

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## An increased role for new players: energy citizens and energy cooperatives







- Substantial contribution to national renewable energy targets
- Additional capital for needed investments in renewables



- Empowerment of consumers (households, cooperatives, SMEs)
  - > Produce, use (self-consumption) and sell surplus energy



- Minimum of bureaucracy and administrative burdens
- Exemption from auctions and tenders

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## Benefits of the engagement of energy citizens and energy cooperatives



Impact of renewable energy from citizens

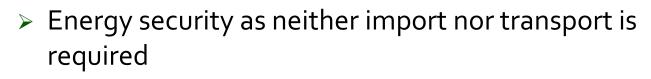
Local jobs



Local wealth creation as money for energy stays within community (instead of paying for energy imports)



Reduced energy poverty





- > Increased social acceptance for renewables
- Democratic energy system
- Energy consciousness resulting in decreased energy consumption



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### The debate on the electricity market design



- Market based solution versus state intervention
- No level playing field: current electricity markets



- Over- capacity from nuclear, gas and coal power stations and capacity markets
- > Continued subsidies for nuclear and fossils



- > Failed capacity markets designed to be rescue aid undisguised for a long period
- > No full internalization of externalities



- No functioning ETS
- "Natural merit order effect" concerning priority dispatch and access



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### Balancing responsibility in the EC proposal



 Priority dispatch: merit order-based dispatch; exemptions for small RES-E (and existing RES installations)



Priority access: voluntary, where possible, otherwise clear priority order



 Balancing responsibility: all market parties responsible for imbalances caused; exemptions for small RES-E (and existing RES installations)

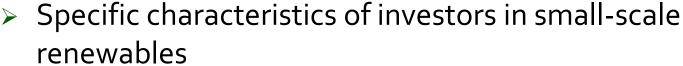


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### Priority dispatch and no balancing responsibility for small-scale renewables

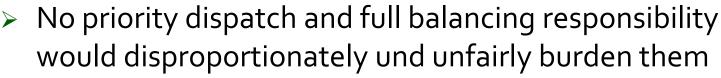






- Different capabilities
- Low ability to absorb financial risk







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### Thank you for your attention!

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