Electricity consumption and production: is balancing responsibility “renewables-proof”? 
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European Renewable Energies Federation

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

- Objectives:
  - 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
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
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
An increased role for new players: energy citizens and energy cooperatives

- Energy from citizens and energy cooperatives as
  - 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
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
  - Energy security as neither import nor transport is required
- Increased social acceptance for renewables
- Democratic energy system
- Energy consciousness resulting in decreased energy consumption
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
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)
Priority dispatch and no balancing responsibility for small-scale renewables

- Specific characteristics of investors in small-scale renewables
  - Different capabilities
  - Low ability to absorb financial risk
- No priority dispatch and full balancing responsibility would disproportionately und unfairly burden them
Thank you for your attention!

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