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European Renewable Energies Federation



Electricity consumption and production: is balancing responsibility “renewables-proof”?

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- 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 and unfairly burden them

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Thank you for your attention!

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