

RESULTS OF EU PARLIAMENT ITRE COMMITTEE VOTE ON THE ELECTRICITY REGULATION AND THE ELECTRICITY DIRECTIVE – 21 FEBRUARY 2018

OPEN ELECTRICITY MARKETS

The reports oblige Member States to set rules ensuring that solar installations and flexibility providers will be able to participate to all markets on equal footing with other market participants.

- **Balancing market:**
 - Full access for all actors incl. variable RES and storage;
 - Separate procurement of balancing energy and balancing capacity will avoid giving advantage to dispatchable power plants;
 - Member States are obliged to set rules ensuring bidding as close to real time as possible;
 - Member States are obliged to report on the evolution of their balancing markets;
- **Intraday and day-ahead markets**
 - Non-discriminatory principle;
 - Obligation to allow market participants to trade up to 15 minutes before real-time;
 - Minimum bid sizes of 500 kW;

BALANCING RESPONSIBILITY

- Ability for Member States to grant (or not) exemption from balancing responsibility for small installations (under 500 kW) and for existing installations who were benefitting from this exemption before the entry into force of the new legislation.
- If any exemption is removed, the financial responsibility must be borne by a third party

PRIORITY DISPATCH

- Obligation for Member States to grant priority dispatch to solar installations under 500 kW capacity, and from 2026 to installations under 250 Kw. Thresholds could be higher for local energy communities
- If a Member State has already phased-out priority dispatch for RES installations, it will be allowed to continue to do so only if:
 - no priority dispatch exists for other installations,
 - full accessibility to liquid intraday, wholesale and balancing markets complying with the EU regulation
 - transparent curtailment rules complying with the EU regulation
 - on track to meet its 2030 RES target
- Obligation to maintain priority dispatch for all existing solar installations

CURTAILMENT RULES

- Strong reporting obligations on curtailment practices of national system operators to the European Agency for regulators:
 - Level of effectiveness of market-based curtailment
 - Reasons, volumes, and type of generation curtailed
 - Measures taken to reduce curtailment, incl. through digitalization of grids
 - Full transparency on must-run arrangements
 - Obligation to publish these reports
- “RES curtailed last” rule: Member States obliged to curtail power plants using renewable energy sources as a last resort, after all other power plants unless exceptional conditions (high network risks, or highly disproportionate costs)
- In case of curtailment, system operators are obliged to fully compensate the operator of the plant on their lost revenues (including support schemes share)

CONSUMER EMPOWERMENT AND PROSUMERS PROTECTION

- Protection of prosumers against discriminatory and disproportionate charges and procedures
- Principle of fairness and cost-reflectiveness of network charges, including the added value of distributed energy resources
- Consideration of benefits of distributed energy resources when elaborating network charges and tariffs
- Local energy communities allowed to virtually share between their members their self-generated electricity
- National regulatory authorities obliged to help monitoring the removing of obstacles to the development of self-consumption

POWER PURCHASE AGREEMENTS

- Ability to contract simultaneously with several suppliers
- Protection against disproportionate procedures and obstacles preventing from installing a direct line between a solar installation and a specific customer

STORAGE

- Specific protection of owners of storage facilities
 - Right to a grid connection within a reasonable time
 - No additional taxes, surcharges, and fees for the stored electricity
 - Exemption from any licensing requirements
 - Right to provide several services simultaneously
- Principles of all markets openness to storage, and incentives to procure ancillary services

- Limited ability for network operators to own and operate storage

NETWORK OPERATORS AND INTEGRATION OF SOLAR

- Obligation to grant simplified and streamlined authorization procedures for small installations
- Network operators incentivized to procure flexibility services provided by distributed energy resources for operating their grid
 - Obligation to elaborate (together with all the relevant system users) standardized market products at least at national level
- Network operators obliged to involve stakeholders in the elaboration of their network planning
- Network operators incentivized to smarten their grids (use of digital tools, real time data acquisition, smart substations)
- Regulatory authorities obliged to make available the detailed methodology used for elaborating network tariffs, taking into account the added value of distributed generation and storage.

CAPACITY REMUNERATION MECHANISMS

- Resource adequacy assessment made at EU level
- Obligation for Member States to elaborate and publish an implementation plan for undertaking alternative measures to CRMs in case an adequacy concern has been identified. This will incentivise governments to address all regulatory discrepancies and develop emerging flexibility solutions.
- CRMs as a last resort option and limited in time
- Strategic reserves (CRMs outside the market) as preferred solution
- New installations emitting more than 550gCO₂/kWh will not be allowed to receive payments from CRMs. Five years after entry into force, the carbon criterion will also be applied to existing installations, besides for strategic reserves.

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