LEVEL-PLAYING FIELD AND DEMAND RESPONSE

➢ Removing distortions and exemptions to ensure level-playing field

In particular, it is necessary that all energy sources, including renewables, stand on equal footing in the market. This can be enhanced by removing specific exemptions and by strengthening the balancing responsibility of all generation and demand sources. In this respect, the Article 4 of the electricity regulation envisaging general balancing responsibility for all market participants is a positive contribution. At the same time BusinessEurope warns against exempting of small-scale installations in the future, which may contradict the objective of establishing a level playing field.

• In this sense, we support the Commission proposal to remove wholesale market price restrictions. Yet, some proposals may weaken this level-playing field. As an example, priority dispatch rules for some generation capacities should not undermine the objective of gradually removing all restrictions and discriminatory rules. Therefore, we support amendments no 490, 492, 524, 529, 530, 537, 538 (as well as other identical amendments).

➢ Leveraging of demand response and promoting new entities

BusinessEurope perceives the proposals to have more consumer engagement as well as fewer constraints for demand side response and the role of aggregators to go in the right direction. Furthermore, demand side resources should be granted access to all markets. In order to maintain a level-playing field, the same rules should apply to all market players including aggregators and energy communities.

With deep transformation of the energy sector and new, emerging business models, there is a vast array of entities operating in the market. The Commission rightly intends to facilitate the entry of new players to increase competition. In this sense, BusinessEurope supports the proposal to have all sources on an equal footing in the market, in particular:

• In order to ensure level-playing field, more competition and new entrants, we support the original Commission proposal regulating new market entities in chapter II of the electricity market regulation, in particular specific provisions of the articles 3, 6, 7.

• With respect to article 11: The removal of priority dispatch for new installations is strengthening the market and is therefore welcomed. However, exemptions may contradict the envisaged level playing field – as it is the case with exemptions for balancing responsibilities – and should hence be carefully examined. Exemptions should only be limited to emerging and immature technologies, and not be based on the installed capacity.
• With respect to article 12: Rules on curtailment and redispersing of generation sources also raise concerns. While market-based curtailment and redispersing shall be used to the maximum extent, the proposed rules for non-market based system should be revised. Security of supply shall be the primary criterion when using non-market based measures. The so-called last-curtailment rule for renewable energy and high-efficient cogeneration should be used in exceptional circumstances only.