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currENT Response on CEER Strategy “Empowering Consumers for the Energy Transition” Public consultation document



CURRENT

Enabling Network Technology
throughout Europe



The document ([C21-SSG-05-03](#)) presents the Council of European Energy Regulator's (CEER) draft strategy "Empowering Consumers for the Energy Transition" for public consultation. The basis of the draft strategy is that European energy regulators, with a view to promoting the energy transition and contributing to a carbon-neutral society and economy, are committed to "empowering consumers for the energy transition", by:

- Enabling energy system integration: integrating renewables and incentivising innovation;
- Placing consumers at the centre of energy markets with consumer-centric dynamic regulation, empowering consumers to actively contribute to and benefit from a flexible energy system;
- Ensuring open, well-functioning and resilient markets nationally and in Europe: delivering flexibility and new business models.

currENT's responses to the three consultation questions are outlined below

1. TO WHAT EXTENT HAVE WE CAPTURED WITH THE THREE REGULATORY DIMENSIONS ENERGY REGULATORS' PROPER FOCUS TO EMPOWER CONSUMERS FOR THE ENERGY TRANSITION?

CEER's proposed three regulatory dimensions encompass important focus areas that benefit European consumers, industry and system operators. We strongly support CEER's focus on more renewable integration and incentivising innovation in regulation and technology, as these are important elements for providing the best possible solutions and cost-efficient services to end customers, while reaching sector decarbonisation.

Networks are at the core of the energy transition, and we welcome CEER's holistic approach to promoting more dynamic regulation as part of this strategy to ensure that regulatory frameworks act as an enabler – rather than a barrier – of the energy transition and support progress towards achieving the ambitious global targets set out in the European Green Deal and recently agreed by the Council and the European Parliament. In particular, we would like to highlight that regulation must encourage grid technology innovation and the greater use of innovative and grid enhancing solutions to make better use of the existing network and support the faster integration of renewable energy, which ultimately ensures consumers have access to affordable, reliable clean electricity.

There are many new regulatory measures and changes underway and planned in the coming year; from the revision of the TEN-E Regulation to the implementation of the Smart Grid Indicator by NRAs. It is critical that these regulatory measures are aligned with one another and with top-level energy-, climate- and social policy in order to deliver on our common goal: the European Green Deal. We would like to see greater reference in CEER's future work on the relevance of regulatory changes to each other, and to delivering on the overall European energy strategy.



2. ARE THE SIX CORE AREAS THE APPROPRIATE AREAS OF FOCUS FOR CEER'S WORK IN 2022-2025?

We welcome the six core CEER strategy areas: consumer-centric design, sustainable and efficient infrastructure, well-functioning markets, energy system integration, flexibility, decentralised and local energy that align well with Green Deal and consumer empowerment strategy. The importance of innovation and collaboration is well-recognised across all six focus areas which currENT greatly supports.

We specifically welcome the core area of sustainable and efficient infrastructure, promoting the deployment of solutions that support optimal and efficient use of the existing grid, technology neutrality and a focus on managing investment uncertainty as the system evolves over time. Power networks must not delay Europe's green transition, thus investments in power networks must continue to take place, and the deployment of renewables and use of next-generation solutions must be accelerated. It would be appropriate if the strategy made reference to the ENTSO-E Technopedia.

We strongly support CEER's objectives to implement the principle of technology neutrality during network development planning as well as the efficiency first principle, promoting innovative solutions to utilise existing grids before reinforcement and expansion. This should be recognised by CEER as a network planning 'best practice' for all network companies.

CurrENT further supports the commitment of CEER to minimise the possible CAPEX bias, and we propose that CEER considers the merits of output-based regulation that supports the use of all technologies that can meet the system needs. This can be achieved through taking a more output-based approach to regulation, where there is more focus on the target outcomes of network investments, rather than the type of solution chosen and whether it is CAPEX- or OPEX-based. This approach needs to be reinforced by output-based incentives that support greater investment in trialling new technologies, and ultimately transitioning these technologies to Business As Usual (BAU) investments.

3. PLEASE INDICATE IF YOU IDENTIFY ANY MISSING IMPORTANT TOPIC(S) FOR ENERGY REGULATORS WITHIN THE STATED SIX CORE AREAS.

We commend CEER on this strategy and the six core areas which we believe will support the development of more dynamic regulation going forward. However currENT proposes that the following points are also taken into account for focus areas 'sustainable and efficient infrastructure' and 'Flexibility'.

1. Greater focus on accelerating uptake of grid enhancing and rapidly deployable solutions

Many innovative and grid enhancing technologies can be rapidly deployed (less than 1yr) which enables network operators to quickly adapt to the changing needs of their grid, and maintain a high standard of security of supply in a cost effective and sustainable way. This can lead to the quicker release of additional capacity on the existing network, and the solutions can often be re-deployed; giving greater long-term



flexibility to network operators and increasing the robustness of grids against future uncertainties. CurrENT proposes that CEER considers this as part of the ‘Sustainable and efficient infrastructure’ focus area, and develops best practices for how regulation can support the use of these solutions to resolve urgent, near-term or short-term network needs, in order to avoid wasted investment in under-utilised or stranded assets.

2. Transparent approach to qualifying new solutions

CurrENT proposes that NRAs apply a transparent and systematic approach when it comes to qualifying new technology solutions which includes an overview of available technologies, quoting relevant publications such as the ENTSO-E Technopedia, the Betriebsmittelstudie (Operational Devices Study), the results of which will be released in Summer 2021, or the CETTIR report by EC as released in November 2020 together with the State of the Union. Such an overview should refer to the specific capabilities of the technologies, Technology Readiness Levels (TRLs), as well as implementations in other geographies, and here in particular in the EU, very much like in the ENTSO-E Technopedia. Additionally, we see the need to include benchmarking with existing best practises of such solutions. This would encourage network companies to transparently share their innovation experiences, learnings and best practices with the wider energy community, to minimise the risk of wasting research money and duplicating work on proving a technology that has already been proven on another network.

3. Prioritise high potential innovation

The priorities for innovation across Europe must be strongly aligned with the Green Deal to ensure that the highest potential innovations are funded, developed, trialled and ultimately rolled out. An accelerated process for qualifying and implementing new high potential technologies could be introduced to enable end-consumers to benefit from the technology as early in the process as possible. This would need to be supported by a greater sharing of learnings between network companies and NRAs (facilitated in part by CEER) to ensure that all European consumers can benefit from the wealth of R&D, pilot projects and clean tech developments taking place in Europe.

4. Support greater implementation of regulatory best practices

currENT supports CEER’s commitment to ensuring that regulatory best practices are applied across Europe. This would require not only a greater focus on sharing of learnings between NRAs and other stakeholders, but we propose that CEER also addresses this topic by annually reviewing the regulatory frameworks in Europe to identify the best practices, particularly which measures have resulted in the greatest uptake of grid enhancing and other innovative solutions, and which measures ensure that system operators prioritise maximising the use of the existing network. This could build on the existing format of the CEER ‘Report on Regulatory Frameworks for European Energy Networks’ and include an explicit section on how each country is addressing the barriers for newer solutions, and how successful they have been at removing the barriers and implementing these solutions. The best practices could then be



summarised in the conclusions and the progress of each country in implementing them could be assessed in the next report. The wider stakeholder community should also be involved in the development of the best practices, particularly stakeholder groups such as ETIP SNET and ENTSO-E who regularly develop recommendations for regulators to implement at national and European levels.

About currENT

currENT is the key industry association representing innovative grid technology companies operating in Europe. Our member companies are taking Europe's power network to the next level – developing and supplying innovative technologies that optimise and maximise use of the existing electricity grid. Power networks – both transmission and distribution – have to become even stronger enablers and accelerators of the energy transition, paving the way for further electrification, rising demand and sector coupling.