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Public consultation on prioritising the removal of barriers to electricity demand response

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Introduction

Objective

This consultation aims at gathering stakeholders' views regarding the findings of ACER's 2023 Market Monitoring Report on demand response and other distributed energy resources and the barriers that are holding them back a nd on barriers currently present to the market-based provision of flexibility[1] to the power system also from other, non-distributed energy resources.

Based on the findings of the report and the input gathered from stakeholders, ACER will focus its 2024 market monitoring work on demand response and flexibility on the most relevant barriers.

[1] ACER's 2023 Market Monitoring Report on demand response and other distributed energy resources and the barriers that are holding them back refers to flexibility as the ability of energy resources and consumers to change or adjust their injection to or withdrawal from the electricity system in response to prices (if active on day-ahead and intraday markets) or to provide services to system operators (SOs), i.e., balancing services for Transmission System Operators (TSOs) and congestion management or voltage control to TSOs and Distribution System Operators (DSOs).

Target group

This consultation is addressed to all interested stakeholders, including market participants, regulatory authorities, nominated electricity market operators, and transmission system operators.

Contact and deadline

The contact point for this consultation is: ewpmm@acer.europa.eu.

All interested stakeholders are invited to submit their comments by **2 February 2024, 23:59 hrs (CET)**.

General terms of the consultation

* Company

IFIEC Europe

* Name of the respondent

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* Email

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* Country of the company's seat

- ○ AT - Austria
- ◉ BE - Belgium
- ○ BG - Bulgaria
- ○ HR - Croatia
- ○ CY - Cyprus
- ○ CZ - Czechia
- ○ DK - Denmark
- ○ EE - Estonia
- ○ FI - Finland
- ○ FR - France
- ○ DE - Germany
- ○ EL - Greece
- ○ HU - Hungary
- ○ IE - Ireland
- ○ IT - Italy
- ○ LV - Latvia
- ○ LT - Lithuania
- ○ LU - Luxembourg
- ○ MT - Malta
- ○ NL - Netherlands
- ○ NO - Norway
- ○ PL - Poland
- ○ PT - Portugal
- ○ RO - Romania
- ○ SK - Slovak Republic
- ○ SI - Slovenia
- ○ ES - Spain
- ○ SE - Sweden

* Countries where your company is active

- ☑ All EU

- [ ] Austria
- [ ] Belgium
- [ ] Bulgaria
- [ ] Croatia
- [ ] Cyprus
- [ ] Czechia
- [ ] Denmark
- [ ] Estonia
- [ ] Finland
- [ ] France
- [ ] Germany
- [ ] Greece
- [ ] Hungary
- [ ] Ireland
- [ ] Italy
- [ ] Latvia
- [ ] Lithuania
- [ ] Luxemburg
- [ ] Malta
- [ ] Netherlands
- [ ] Norway
- [ ] Poland
- [ ] Portugal
- [ ] Romania
- [ ] Slovak Republic
- [ ] Slovenia
- [ ] Spain
- [ ] Sweden

* Activity

- [ ] Trader (or association)
- [ ] Energy supplier (or association)
- [ ] Aggregator (or association)
- [ ] Generator (or association)
- [ ] Utility (or association)
- [x] End-user (or association)
- [ ] Market operator (or association)
- [ ] Transmission network operator (or association)
- [ ] Distribution network operator (or association)
- [ ] Regulatory authority
- [ ] Other (please specify)

Article 7(4) of ACER Rules of Procedure (RoP) requires the submitting party in an ACER Public Consultation to indicate explicitly whether the submission contains confidential information and to claim any confidentiality in accordance with Article 9 of the RoP.

* **Does your submission into this consultation contain confidential information?**

- ○ Yes
- ◉ No

Publication of responses and privacy

ACER will publish all non-confidential responses, including the names of the respondents, unless they should be considered as confidential, and it will process personal data of the respondents in accordance with Regulation (EU) 2018/1725 of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, taking into account that this processing is necessary for performing ACER's consultation task. For more details on how the contributions and the personal data of the respondents will be dealt with, please see ACER's Guidance Note on Consultations and the specific privacy statement attached to this consultation.

☑ **Please confirm that you have read the Data Protection Notice.**

Feedback on ACER's 2023 Market Monitoring Report on demand response and other distributed energy resources and the barriers that are holding them back

ACER's report targets seven subject areas (overall barriers) and examines several underlying indicators across EU-27 Member States and Norway, to assess the persistence of barriers that hinder the participation of distributed energy resources (including demand response, energy storage and distributed generation) to wholesale electricity markets and the provision of balancing and congestion management services.

The report focuses on regulatory barriers, mainly related with the lack of implementation of certain provisions of the Clean Energy Package and relevant EU Guidelines that are crucial to bring more flexibility from distributed energy resources into the wholesale electricity markets and system operation services, and on barriers related to market design and market structure. Financial, economic, technical, and behavioural barriers are out of the scope of this report.

In addition, chapter 10 of ACER's report briefly explains how some relevant barriers to market integration and additional regulatory obstacles may negatively impact the entry and participation of distributed energy resources and other new actors in electricity wholesale markets and SO services.

Moreover, chapter 11 discusses network tariffs as both potential 'facilitators' and 'barriers' to active customers and providing demand response, focusing on network tariff design elements relevant for active customers and/or consumers providing demand response and exploring the current situation across EU-27 Member States and Norway with respect to these elements.

Finally, chapter 12 of the report presents key findings per barrier monitored in 2022 and ACER's summary list of recommendations to overcome each obstacle identified.

1. Based on your own experience and considering the information contained in ACER's report, please rank the following barriers included in the report by order of relevance and required effort to overcome, on a scale between 1 and 7.

- It is assumed that your answers refer to the country/countries you are active in, unless indicated differently in the comment box below.
- Leave blank if not applicable, for example if the respective mechanism does not exist in the respective country, if you consider the barrier to be irrelevant, or if no opinion.

1.1. Ranking of overall barriers included in Chapters 3 to 9 of ACER's report by order of relevance.

A score of 7 corresponds to the highest relevance. Each score may be assigned only once.

	1	2	3	4	5	6	7
Lack of a proper legal framework to allow market access	○	○	○	◉	○	○	○
Unavailability or lack of incentives to provide flexibility	○	○	○	○	○	○	◉
Restrictive requirements to providing balancing services	○	○	○	○	◉	○	○
Restrictive requirements to providing congestion management services	○	○	◉	○	○	○	○
Restrictive requirements to participating in capacity mechanisms and interruptibility schemes	○	○	○	○	○	◉	○
Limited competitive pressure in the retail market	○	◉	○	○	○	○	○
Retail price interventions	◉	○	○	○	○	○	○

1.1.1. Please explain your answers with reference to the underlying indicators included in the report and/or to other factors you consider relevant for each overall barrier.

At this moment, most LV (and to some extent MV) customers have no smart meter and no dynamic price, which fundamentally undermines any possible business case for DSR. For all consumers that could participate, the legal framework, even though in most instance in name technology-neutral, is de factor not so, as many elements that are not a barrier for other flexibility (such as generation) constitue blocking points ofr the development of DSR. Furthermore, not all (explicit) flexibility products are, from a requirements perspective, very well suited for DSR.

1.2. Ranking of overall barriers included in Chapters 3 to 9 of ACER's report by order of required effort to overcome.

A score of 7 corresponds to the highest required effort. Each score may be assigned only once.

	1	2	3	4	5	6	7

Lack of a proper legal framework to allow market access	○	○	○	◉	○	○	○
Unavailability or lack of incentives to provide flexibility	○	○	○	○	○	○	◉
Restrictive requirements to providing balancing services	○	○	○	○	◉	○	○
Restrictive requirements to providing congestion management services	○	○	◉	○	○	○	○
Restrictive requirements to participating in capacity mechanisms and interruptibility schemes	○	○	○	○	○	◉	○
Limited competitive pressure in the retail market	○	◉	○	○	○	○	○
Retail price interventions	◉	○	○	○	○	○	○

1.2.1. Please explain your answers with reference to the underlying indicators included in the report and/or to other factors you consider relevant for each overall barrier.

IFIEC Europe wants to state that it is virtually impossible to provide a comprehensive answer to these questions, taking into that IFIEC Europe covers so many countries, voltage levels, types of consumers, different configurations, various products and so on. IFIEC Europe however wants to stress that there are still, various and varying, barriers to entry in all Member States.

1.3. Ranking of other relevant barriers included in Chapter 10 of ACER's report by order of relevance.

A score of 7 corresponds to the highest relevance. Each score may be assigned only once.

	1	2	3	4	5	6	7
Insufficient cross-zonal transmission capacity	○	○	○	○	○	○	◉
Bidding zones not reflecting structural congestions	○	○	○	○	○	◉	○
Limited competitive pressure and/or liquidity in wholesale electricity markets	○	○	○	○	◉	○	○
Complex, lengthy, and discriminatory administrative and financial requirements	○	○	○	◉	○	○	○
Lack of incentives to TSOs and DSOs to consider non-wire alternatives	○	○	◉	○	○	○	○
Scope for improving transparency, cost-reflectivity, and non-discrimination in network tariffs	○	◉	○	○	○	○	○

1.3.1. Please explain your answers with reference to any factors you consider relevant for each barrier.

IFIEC Europe wants to state that it is virtually impossible to provide a comprehensive answer to these questions, taking into that IFIEC Europe covers so many countries, voltage levels, types of consumers, different configurations, various products and so on. IFIEC Europe however wants to stress that there are still, various and varying, barriers to entry in all Member States.

1.4. Ranking of other relevant barriers included in Chapter 10 of ACER's report by order of required effort to overcome.

A score of 7 corresponds to the highest required effort. Each score may be assigned only once.

	1	2	3	4	5	6	7
Insufficient cross-zonal transmission capacity	○	○	○	○	○	○	◉
Bidding zones not reflecting structural congestions	○	○	○	○	○	◉	○
Limited competitive pressure and/or liquidity in wholesale electricity markets	○	○	○	○	◉	○	○
Complex, lengthy, and discriminatory administrative and financial requirements	○	○	○	◉	○	○	○
Lack of incentives to TSOs and DSOs to consider non-wire alternatives	○	○	◉	○	○	○	○
Scope for improving transparency, cost-reflectivity, and non-discrimination in network tariffs	○	◉	○	○	○	○	○

1.4.1. Please explain your answers with reference to any factors you consider relevant for each barrier.

IFIEC Europe wants to state that it is virtually impossible to provide a comprehensive answer to these questions, taking into that IFIEC Europe covers so many countries, voltage levels, types of consumers, different configurations, various products and so on. IFIEC Europe however wants to stress that there are still, various and varying, barriers to entry in all Member States.

2.1. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.1 "Lack of a proper legal framework to allow market access" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
ACER urges Member States to define a proper national legal framework for all new entrants in line with the Electricity Directive	◉	○	○	○	○
National rules should legally allow all energy resources to become eligible parties in all electricity markets, balancing and congestion management services	◉	○	○	○	○

To ensure participation of distributed energy resources through aggregation in all electricity markets, balancing and congestion services, the national rules should define at least one aggregation model applicable to all types of distributed energy resources for each market and SO service in line with the requirements of the Electricity Directive	◉	○	○	○	○
To ensure new actors can offer innovative services and promote demand response, the national rules should recognise them as eligible parties to access final customer data	◉	○	○	○	○
ACER considers that new actors should get access to data of non-customers in a level playing field compared to suppliers while the Member States ensure data protection and security. To ensure they all have access to data in a non-discriminatory manner and simultaneously, all Member States should give access to the same type and amount of data and through the same data platform or tool.	◉	○	○	○	○

2.2. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.2 "Unavailability or lack of incentives to provide flexibility" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
ACER recommends accelerating the penetration of smart meters in the Member States with legal plans to reach the 80% target in place but still far from this target and in the Member States that have not set the 80% target in their national rules yet, despite a positive roll-out decision	◉	○	○	○	○

ACER also invites Member States with low penetration levels of smart meters but no legal plans nor target to accelerate the development of these devices	◉	○	○	○	○
Where time-differentiated network tariffs are introduced, the NRA should regularly evaluate their impacts and their appropriateness. NRAs should obtain sufficiently granular temporal data on network conditions, on individual network users subject to the rollout of fit-for-time-of-use meters, and on the network use by individual network users	◉	○	○	○	○
Where time-differentiated network tariffs are introduced, the network tariff structures and the signals should be mandatory for all network users, without a possibility to opt-out from them. Optionality may be temporarily reasonable when transitioning to a new time-of-use schedule to limit tariff impacts on network users	◉	○	○	○	○
Where no time-of-use signals apply in transmission and/or distribution network tariffs, NRAs should investigate the need to introduce such signals from a cost-efficiency and/or network congestion point of view. Such studies should aim to identify which elements affect the effectiveness and efficiency of time-of-use signals to justify a decision to apply such signals or not in each context	◉	○	○	○	○
Where fit-for-time-of-use meters are largely missing, as a temporary solution, NRAs may design network tariffs by determining for different user profiles their contribution to the system peak	◉	○	○	○	○

All NRAs should track and monitor the level of penetration of all types of retail electricity contracts	◉	○	○	○	○
National authorities need to do even more to inform consumers on the benefits and potential risks of providing demand response. ACER recommends all Member States to strengthen national measures to raise consumer awareness and mobilise flexibility and to share good practices that can be followed	◉	○	○	○	○

2.3. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.3 "Restrictive requirements to providing balancing services" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
To be in line with the Electricity Balancing Regulation, ACER urges TSOs not doing so yet, to procure Frequency Restoration Reserves and Replacement Reserve services using a market-based mechanism	◉	○	○	○	○
ACER encourages Member States where a mandatory provision for Frequency Containment Reserve applies to some generation to abolish this requirement and to open this balancing service to all resources by applying a market-based procurement method	◉	○	○	○	○
When a prequalification process is technically justified, ACER recommends that TSOs define a formal process to prequalify reserve providing groups and to allow aggregating all types of technologies under the same group so that BSPs can combine their portfolios to optimise their service provision	◉	○	○	○	○
ACER urges TSOs to regulate the duration of the prequalification					

process including the intermediate steps in line with the System Operation Regulation. When passing a re-prequalification after changes in the reserve providing group is justified, ACER also invites TSOs to regulate and shorten the duration of this process as much as possible. In a context where changes in units and groups will happen with increasing frequency, a short re-prequalification process, if such a process is justified, can help distributed energy resources effectively enter balancing markets	◉	○	○	○	○
ACER recommends Member States to implement the requirements of the Electricity Regulation and the Electricity Balancing Regulation for balancing services provision and not to delay accession to the EU balancing platforms	◉	○	○	○	○

2.4. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.4 "Restrictive requirements to providing congestion management services" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
ACER urges Member States to ensure that the reasons for not using market-based re-dispatching at transmission or distribution level do not contravene the exceptions allowed in the Clean Energy Package	◉	○	○	○	○
ACER reminds all Member States to urgently define a regulatory framework to allow and provide incentives to DSOs to procure congestion management in their areas and to ensure they can procure such services from	◉	○	○	○	○

distributed energy resources pursuant to Article 32(1) of the Electricity Directive					
Most Member States should define an iterative national reassessment process with a transparent decision-making procedure as soon as possible. ACER reminds Member States that in a context with increasing network congestions and more and more distributed energy resources and new actors willing to provide flexibility, some market conditions such as predictability of network congestions or lack of competition may become inapplicable. As a result, the lack of market-based re-dispatching may not be sufficiently justified	◉	○	○	○	○

2.5. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.5 "Restrictive requirements to participating in capacity mechanisms and interruptibility schemes" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Less restrictive requirements allow for more competition which may potentially reduce the costs of capacity mechanisms for consumers. To ensure these mechanisms are effectively available to all resources with non-discriminatory design features and processes, ACER recommends removing the requirements that directly exclude some distributed energy resources, such as restrictions to aggregation or to units connected to lower voltage levels. ACER also invites all Member States with capacity mechanisms to relax those requirements that can facilitate participation of distributed energy resources capable of fulfilling the required technical performance	◉	○	○	○	○

without jeopardizing the quality of the service delivery					
Interruptibility schemes or new ancillary service-related schemes targeted to demand response may weaken the competitive and direct participation of demand response units into capacity mechanisms, balancing markets, or network reserves by establishing a separate specific demand response product for the provision of these services. To ensure a level-playing field among all technologies and actors, and to maximise competition and avoid market fragmentation, ACER recommends the services related to interruptibility or demand response schemes to preferably be integrated within the existing wholesale electricity markets and SO services. Dedicated mechanisms for demand response should only be left to cases where no parallel procurement channels exist, or when there is a need to kick-start the development of demand response	◉	○	○	○	○
When the introduction of an interruptibility or a new ancillary service-related scheme targeted to demand response is justified, ACER recommends all Member States to carefully review the requirements and design features of these schemes to ensure they do not restrict participation of smaller interruptible loads or new actors capable of fulfilling the required technical performance. ACER also reminds the Member States to follow the approval procedures envisaged by the EU legislation	◉	○	○	○	○

2.6. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.6 "Limited competitive pressure in the retail market" of ACER's report?

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
ACER invites all Member States to remove the barriers and restrictions assessed in this study to facilitate entry of new actors (aggregators, active customers, energy communities, etc.) and new business models (local markets, peer-to-peer trading, etc.). To prevent suppliers and other new actors from exiting the market due to undue barriers, ACER also invites all Member States to take measures such as increasing opportunities for innovative models, facilitate switching, among others	◉	○	○	○	○

2.7. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.7 "Retail price interventions" of ACER's report?

	Strongly agree	Agree	Neutral	Disgree	Strongly disagree
Retail price interventions, including regulated prices, are not a barrier when targeted and aimed at those most in need. However, in some markets, price intervention essentially kills the business case for new actors aiming at unlocking flexibility from distributed energy resources. ACER therefore recommends Member States to ensure these interventions are targeted and aimed at those most in need. Member States should adopt detailed definitions and criteria for vulnerable consumers in line with the Electricity Directive	◉	○	○	○	○

2.8. To what extent do you agree with the following findings and recommendations illustrated in Chapter 12.8 "Focal topic: Network tariffs as both potential 'facilitators' and 'barriers' to active customers and providing demand response" of ACER's report?

	Strongly agree	Agree	Neutral	Disgree	Strongly disagree
Member States should conduct a study, pilot project and/or impact assessment to determine whether the network charges for active customers must have some differentiation compared to non-active customers to ensure they are cost-reflective and non-discriminatory	◉	○	○	○	○
Member States should apply differentiated network tariffs for active customers providing explicit demand response as long as they reflect the different network costs triggered by their network use and they are not discriminatory vis-à-vis other network users	○	◉	○	○	○
Member States should apply exemptions, discounts, or other differentiations in network tariffs for specific consumers only when duly justified. In a context of increasing network congestions and flexibility needs, NRAs should periodically assess the need and adequacy of any network tariff differentiation, taking into account the overall network impacts, not to provide disincentives for efficient network use	○	◉	○	○	○
As described in ACER´s 2023 Report on Electricity Transmission and Distribution Tariff Methodologies in Europe, ACER considers appropriate a gradual move to increasingly power-based network tariffs to recover those costs which show correlation with contracted or peak capacity. In particular, ACER recommends against using flat-rate energy-based charges (EUR/MWh), i.e., which are not including any time element	○	◉	○	○	○

which corresponds to the peak network usage, to recover infrastructure costs from network users					
ACER recommends avoiding net-metering where volumetric/energy network charges apply. Moreover, to be in line with Article 15(2) of the Electricity Directive, ACER reminds Member States that net metering (with an exception) shall not apply to active customers after 31 December 2023	○	◉	○	○	○

2.9. Please use the box below if you wish to explain your answers to questions 2.1 to 2.8.

3. Please specify below any important result contained in the report that you believe does not represent the reality of a barrier or a Member State.

4. With respect to overall barriers and/or underlying indicators that hinder the participation of distributed energy resources, including demand response, energy storage and distributed generation, to wholesale electricity markets and the provision of balancing and congestion management services, in accordance with the provisions of the Electricity Directive, the Electricity Regulation and the relevant Network Codes and Guidelines:

4.1. Do you consider any of the underlying indicators included in ACER's report to be comparatively more important to focus on in future editions of the report?

4.2. Do you consider any of the underlying indicators included in ACER's report to be comparatively less important to focus on in future editions of the report?

4.3. Would you suggest any additional overall barriers?

4.4. Would you suggest any additional underlying indicators? Please be as much specific as possible. For example, if you propose a composite indicator based on multiple questions, please indicate what specific aspects would be assessed.

5. What kind of additional information and/or analyses do you think that future editions of the report could benefit from?

- [x] Case studies
- [x] Analysis on more focal points
- [ ] Other (please specify)

5.1. Do you have any specific case study topics to propose? For which countries?

5.2. Do you have any specific topics to propose as focal points?

6. What other changes would you suggest for future editions of ACER's Market Monitoring report on barriers to demand response and distributed energy resources?

Scoping survey for ACER's 2024 report on flexibility

To accommodate high levels of wind and solar generation consistent with decarbonisation targets, the EU energy system will need to provide increased levels of flexibility, with an increasing reliance on climate-compatible resources, including hydro, pumped-hydro, other storage solutions and the demand side including electrolysers. Cross-border interconnections and regional cooperation can also play a key role, by enabling efficient utilisation of flexibility resources across Member States and allowing to reduce overall flexibility requirements.

For 2024, ACER intends to extend the scope of its market monitoring report on barriers to demand response and other distributed energy resources, to address flexibility more widely. The questions in this section of the survey aim to gather insight on the sources having the highest potential to provide the necessary increase in flexibility in the coming years and the most significant barriers standing in the way.

7. Please rank the following flexibility sources by order of technical potential (i.e. technical characteristics, maturity, relative scale, infrastructure development lead time) to contribute to future (2030-2040) flexibility needs of the EU's power system for each flexibility timeframe (daily, weekly, seasonal), on a scale between 1 and 15. Leave blank if you consider some flexibility source to be irrelevant for a certain timeframe or if no opinion.

A score of 15 corresponds to the highest potential. Please use each score only once for each timeframe.

	Daily	Weekly	Seasonal
Conventional thermal generation	15	15	15
Hydropower (excluding pumped-hydro)	15	15	15
Dispatchable RES (e.g. biomass, biogas, other controllable RES)	15	15	15
Pumped-hydro	15	5	1
Batteries (stationary, front-of-the-meter, behind-the-meter excluding in combination with load)	15	5	1
Electric Vehicles	15	5	1
Power-to-Gas-to-Power	15	15	15
Industrial demand response	15	5	1
Commercial demand response	15	5	1
Residential demand response	15	5	1
Electrolysers	15	5	1
Interconnections: cross-zonal exchange capacity	15	5	1
Other #1 (please specify in comment box)			
Other #2 (please specify in comment box)			

Other #3 (please specify in comment box)			

7.1 Please specify other flexibility sources ranked in the previous question. Also, if you wish to be more specific, please explain your answers.

Some sources above have potential, but not only the technical potential is important, also the cost impact, the speed of reaction, the required lead times, ... It is only the combination of all parameters which leads to a correct analysis, otherwise the analysis would be skewed towards some specific technologies with potentially high costs for the overall system and thus consumers

8. For the 3 flexibility sources with the highest average score across the three different flexibility timeframes in question 7, please rank the following barriers to providing flexibility through the market by order of relevance, on a scale between 1 and 20.

- It is clarified that the first seven barriers listed in the following tables correspond to the overall barriers included in chapters 3 to 9 of ACER's 2023 report. These barriers encompass the underlying indicators illustrated in the respective chapters of the report.
- It is assumed that your answers refer to the country/countries you are active in, unless indicated differently in the comment box below.
- Leave blank if not applicable, for example if the respective mechanism does not exist in the respective country, if you consider the barrier to be irrelevant, or if no opinion.

8.1. Please specify the flexibility source with the highest average score across the three flexibility timeframes in question 7.

8.1.1. Ranking of overall barriers by order of relevance for the flexibility source with the highest average score in question 7.

A score of 20 corresponds to the highest relevance. Each score may be assigned only once.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Lack of a proper legal framework to allow market access	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Unavailability or lack of incentives to provide flexibility	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing balancing services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing congestion management services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to participating in capacity mechanisms and interruptibility schemes	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Limited competitive pressure in the retail market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retail price interventions	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Insufficient market integration at EU level (i.e. insufficient cross-zonal transmission capacity available for trade, insufficiently addressed structural congestions)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Limited competitive pressure and/or liquidity in the wholesale market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictions to the exploitation of multiple available revenue streams in the market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Insufficient information to market actors regarding flexibility needs																				
Lack of incentives for TSOs/DSOs to consider non-wire alternatives to network reinforcement																				
Restrictions to connecting to the network																				
Network tariffs not adequately adapted to new and emerging sources of flexibility																				
Insufficient access to and exchange of data																				
Insufficient coordination between TSOs and DSOs for procurement of flexibility																				

Other #1 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #2 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #3 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #4 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

8.1.2. Please specify other barriers ranked in the previous question. Also, if you wish to be more specific, please explain your answers.

IFIEC Europe would like to refer to its comments on question 7. It is not necessarily the flexibility source with a high score based on technical characteristics which would be the most suited,as it could score bad on other criteria and thus not so favourable overall. IFIEC Europe wants for example to highlight that DSR constitutes secondary use of assets which have been built for a different primary purpose and would thus constitue a less costly source of flexibility for the system despite some specific intrinsic technical challenges.

8.2. Please specify the flexibility source with the second highest average score across the three flexibility timeframes in question 7.

8.2.1.Ranking of overall barriers by order of relevance for the flexibility source with the second highest average score in question 7.

A score of 20 corresponds to the highest relevance. Each score may be assigned only once.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Lack of a proper legal framework to allow market access	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Unavailability or lack of incentives to provide flexibility	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing balancing services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing congestion management services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to participating in capacity mechanisms and interruptibility schemes	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Limited competitive pressure in the retail market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retail price interventions	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Insufficient market integration at EU level (i.e. insufficient cross-zonal transmission capacity available for trade, insufficiently addressed structural congestions)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Limited competitive pressure and/or liquidity in the wholesale market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictions to the exploitation of multiple available revenue streams in the market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Insufficient information to market actors regarding flexibility needs																				
Lack of incentives for TSOs/DSOs to consider non-wire alternatives to network reinforcement																				
Restrictions to connecting to the network																				
Network tariffs not adequately adapted to new and emerging sources of flexibility																				
Insufficient access to and exchange of data																				
Insufficient coordination between TSOs and DSOs for procurement of flexibility																				

Other #1 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #2 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #3 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #4 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

8.2.2. Please specify other barriers ranked in the previous question. Also, if you wish to be more specific, please explain your answers.

IFIEC Europe would like to refer to its comments on question 7. It is not necessarily the flexibility source with a high score based on technical characteristics which would be the most suited,as it could score bad on other criteria and thus not so favourable overall. IFIEC Europe wants for example to highlight that DSR constitutes secondary use of assets which have been built for a different primary purpose and would thus constitue a less costly source of flexibility for the system despite some specific intrinsic technical challenges.

8.3. Please specify the flexibility source with the third highest average score across the three flexibility timeframes in question 7.

8.3.1. Ranking of overall barriers by order of relevance for the flexibility source with the third highest average score in question 7.

A score of 20 corresponds to the highest relevance. Each score may be assigned only once.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Lack of a proper legal framework to allow market access	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Unavailability or lack of incentives to provide flexibility	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing balancing services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to providing congestion management services	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictive requirements to participating in capacity mechanisms and interruptibility schemes	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Limited competitive pressure in the retail market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Retail price interventions	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Insufficient market integration at EU level (i.e. insufficient cross-zonal transmission capacity available for trade, insufficiently addressed structural congestions)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Limited competitive pressure and/or liquidity in the wholesale market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Restrictions to the exploitation of multiple available revenue streams in the market	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

Insufficient information to market actors regarding flexibility needs																				
Lack of incentives for TSOs/DSOs to consider non-wire alternatives to network reinforcement																				
Restrictions to connecting to the network																				
Network tariffs not adequately adapted to new and emerging sources of flexibility																				
Insufficient access to and exchange of data																				
Insufficient coordination between TSOs and DSOs for procurement of flexibility																				

Other #1 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #2 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #3 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○
Other #4 (please specify in comment box)	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○	○

8.3.2. Please specify other barriers ranked in the previous question. Also, if you wish to be more specific, please explain your answers.

IFIEC Europe would like to refer to its comments on question 7. It is not necessarily the flexibility source with a high score based on technical characteristics which would be the most suited,as it could score bad on other criteria and thus not so favourable overall. IFIEC Europe wants for example to highlight that DSR constitutes secondary use of assets which have been built for a different primary purpose and would thus constitue a less costly source of flexibility for the system despite some specific intrinsic technical challenges.

9. What indicators would you suggest using to assess the barriers mentioned in question 8, including any additional barriers you specified and excluding barriers and indicators already assessed in ACER's 2023 report?

10. What monitoring analyses would you suggest using to assess actual status in bringing flexibility through the market? e.g.

- [x] Metrics pointing to inflexibility in the system (e.g. increased price volatility, negative prices)
- [x] Liquidity of intraday and balancing markets
- [x] Diversification of sources providing flexibility (i.e. who is providing flexibility)
- [ ] Other (please specify)

10.1. Please clarify your answer and/or specify other monitoring analyses proposed in the previous question.

Contact

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