

Terms of Reference for the Demand Response European Stakeholder Group

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Content

1. Introduction	3
2. Objectives of the group	3
3. Representation principles	5
4. Role, responsibilities and working arrangements.....	6
5. Publication of Information	7
6. Records of meetings	7
7. Frequency of meetings.....	7
8. Membership	7

1. Introduction

Since 2020, considerable effort has been devoted to the development of the network code for demand response (DR NC) by the European Commission (EC), the Agency for the Cooperation of Energy Regulators (ACER, the Agency), the European Network of Transmission System Operators for Electricity (ENTSO-E), the European Entity for Distribution System Operators (EU DSO Entity) and other stakeholders from across the European electricity sector. In March 2025, ACER submitted to the European Commission its [Recommendation 01-2025](#) for a Network Code on Demand Response, in line with the respective [framework guideline](#).

The drafting and approval of the DR NC is however just the start. The DR NC has been designed to contribute to Europe's well-functioning, integrated electricity markets, by facilitating market access for all resource providers and electricity customers without discrimination, and facilitate aggregation of distributed demand and supply. For this to happen, the DR NC, once adopted, need to be implemented and complied with across Europe.

This represents an important challenge for the sector, since the DR NC requires a series of steps to be taken, before being considered as fully implemented. This process includes, amongst other things, national decisions on rules, the development and adoption of European level common detailed methodologies and their actual (coordinated) application. All market participants, grid users, Distribution System Operators (DSOs), Transmission System Operators (TSOs) and National Regulatory Authorities (NRAs) will be involved in the extensive required development work and consultation.

Effective stakeholder engagement is essential to the overall success of the overall objectives. In practice, this involves efficient and intensive sharing of views and information by all interested parties throughout the process as a whole. Stakeholders will need to be kept abreast of developments and be provided with a forum to express their views and feedback. The parties responsible for implementation, will play an important role in this respect.

2. Objectives of the group

ACER, EU DSO Entity and ENTSO-E propose to co-organise the Demand Response European Stakeholder Group (DRESG), as a subgroup of the Market European Network Code Stakeholder Committee, pursuant to sub-chapter 2.C. of the Terms of Reference for the Market European Network Code Stakeholder Committee¹ reporting to all three ESCs. DRESG aims to complement, and not to replace, the legal obligations of stakeholder consultation and information that may be included in the DR NC during the implementation period.

¹ https://eepublicdownloads.entsoe.eu/clean-documents/Network%20codes%20documents/Implementation/stakeholder_committees/MESC/230705_MESC_ToRs_vFINAL.pdf

The main objective of the Demand Response European Stakeholder Group is to provide a European level forum where ACER, EU DSO Entity and ENTSO-E will be able to discuss and consult with stakeholders the proposals for different terms and conditions or methodologies that shall be developed by DSOs and TSOs pursuant to the DR NC, as well as other aspects of the implementation of the DR NC, and in general topics related to demand response.

The objectives of the DRESG are:

1. to contribute to monitoring progress in the DR NC implementation process, as well as the operation and functioning of the processes and arrangements established according to the DR NC – at local, regional and pan-European level – and in general topics related to demand response;
2. to serve as a platform to share general views on the DR NC implementation, with a particular focus to enable stakeholders to express their views and receive feedback;
3. to contribute to a more informed decision-making process for the methodologies and rules to be developed for the implementation of the DR NC.

Therefore, the DRESG will provide all interested stakeholder representative organisations on a European level with:

- the opportunity to join a forum with participation of the Agency, the EC and all the responsible parties for the DR NC implementation, through which the different implementation activities are discussed and consulted on;
- an efficient way to receive early information on the development of implementation projects; and
- an efficient way to input towards and provide comments to the relevant parties involved in all implementation projects, while receiving clear feedback from these parties.

The DRESG will provide the Agency and NRAs with:

- support to perform their monitoring tasks on the implementation status of the DR NC within each country and identifying any gap, inconsistencies, overlaps or inefficiencies from a European perspective;
- a platform to discuss the scope and progress of the monitoring of the implementation of the DR NC;
- an effective and responsive mechanism to monitor the operation and functioning of the processes and arrangements established according to the DR NC.

The DRESG will provide EU DSO Entity, ENTSO-E and other parties responsible for the DR NC implementation with:

- a platform to report on implementation projects, in particular the lessons learned and problems encountered as well as to report on early drafts for the terms and conditions of methodologies or other projects to be developed;
- a platform to receive feedback from stakeholders, therefore contributing to a more informed decision-making process and enhancing the quality of the projects delivered.

In order to prepare the meetings of DRESG and discuss the proposals to be put forward, ACER, EU DSO Entity and ENTSO-E will also set up a trilateral Demand Response Coordination Group.

The Demand Response European Stakeholder Group will:

- Provide a forum for EU DSO Entity, ENTSO-E, ACER and stakeholders with participation of the European Commission, through which the different (early) implementation activities for the integration of demand response in the electricity markets are discussed and consulted.
- Allow stakeholders to receive early information and provide feedback and comments to EU DSO Entity, ENTSO-E and ACER on the development of implementation projects and draft terms and conditions or methodologies.
- Allow EU DSO Entity and ENTSO-E to report on the implementation projects, in particular the lessons learned and problems encountered as well as to report on early drafts for the terms and conditions or methodologies to be developed pursuant to the DR NC.
- Allow ACER together with respective NRAs where applicable to report on regulatory progress of adaptation and preparation for the early implementation of the DR NC and potential issues with existing (national) legislation.
- Allow ACER, EU DSO Entity, ENTSO-E and stakeholders to learn from the (early) implementation activities and gain important lessons needed for future development and detailing of the integration of demand response in the electricity markets.

The Demand Response European Stakeholder Group shall also preserve DSOs and TSOs joint responsibility for the development of the implementation projects and NRAs responsibility for monitoring and regulatory supervision of those projects. EU DSO Entity, ENTSO-E or ACER may organise workshops on specific issues when needed and/or have bilateral contacts/meetings with individual stakeholders. The Demand Response European Stakeholder Group will be informed about the timing and conclusions of these communications/meetings where appropriate.

3. Representation principles

The rules for membership and management of the DRESG must ensure proper representation of all interested parties which are directly or indirectly impacted by the DR NC implementation. The membership of the DRESG should be balanced and on equal footing, representing all parts of the value chain and ensuring geographical diversity to the extent possible. Membership rules must however be designed in a way that enhances efficient discussions. To guarantee the application of these principles, the following rules should apply in the DRESG:

- The Agency chairs the DRESG.
- The Chairperson has the purpose to facilitate and lead the discussions, allow the expression and active participation of all parties, and ensure that all the responsible parties comply with their engagements, in particular in terms of follow-up.
- Members should aim to participate in person. The DRESG members commit to only substitute their representatives under exceptional circumstances.
- Members are nominated through a formal call for interest open to any interested association representing pan-European views or interests. Each association will be asked to designate a one member and one alternate.
- The number of representatives per association will be limited with the aim to keep the total number of members below 25.
- The European Commission will be invited to join all meetings of the DRESG to ensure coordination with other demand response initiatives running in parallel.

- European groups, such as the European Commission expert groups, working on similar topics may join on an ad hoc basis, depending on the DRESG agenda topics.
- External speakers can be invited by the chairperson when relevant to the missions of the DRESG.
- EU DSO Entity and ENTSO-E are the main providers of secretarial services, organise the meetings in close cooperation with the Chairperson, and maintain the IT platform.
- On a case-by-case basis, non-DRESG members will be able to access all documents and address comments.

4. Role, responsibilities and working arrangements

All DRESG members commit to:

- ensure high quality of the DRESG through regular and active participation;
- liaise with their members and stakeholders to update on the DR NC implementation and amendment and represent their views and concerns; and
- share issues and concerns early on, in particular if they could be detrimental to the internal market, while respecting the processes for the implementation of the DR NC as set up by the Member States, regulatory authorities and other designated entities.

ACER commits to:

- chair all meetings in a neutral way;
- ensure coordination with the three ESCs and the EBSG discussions;
- work in close collaboration with EU DSO Entity, ENTSO-E and other responsible parties to prepare all necessary meetings documents (agenda, deliverables as per the action points), and present them ideally 2 weeks or at least 5 working days before any meeting.

The Agency, EU DSO Entity, ENTSO-E and other parties responsible for implementation commit to act in close collaboration in an open and transparent manner to:

- provide information to facilitate participant's understanding, and prepare regular reports on implementation projects taking into account the requests for reporting from ESCs members and chairs;
- initiate and provide information on aspects where participants input is expected.

In particular, inform on a regular basis ESG's members on the state of implementation of DR NC related projects. This reporting shall be sufficiently detailed, and also be provided in advance to give the ESG the opportunity to contribute to a consistent implementation;

- for the same purpose, inform in advance the ESG of any new or updated methodology before implementation, study, consultations etc. with regards to the DR NC implementation;
- take into consideration all issues and actions listed by the ESG, expressed by stakeholders.

EU DSO Entity and ENTSO-E commit to:

- support the Agency in the organisation of the ESG by providing secretariat services, including:
 - preparation of all meetings documents (agenda, deliverables, attendance lists, minutes);
 - setting up and maintaining an IT platform to ensure transparency, in close collaboration with the Agency;

- organisation of the meetings, in close collaboration with the Agency;
- conclusions with main action points: issues and actions logs.
- make sure, in close collaboration with the Agency, that relevant information on the implementation of national-specific methodologies and provisions at national or regional level is made available to all stakeholders in Europe through an IT platform.

5. Publication of Information

It is recognised that all information shall be treated as work in progress and shall be provided without prejudice to the right of EU DSO Entity, ENTSO-E and ACER to update or amend its positions and stakeholder representatives to update or amend their positions and to respond to formal consultations as they see fit.

6. Records of meetings

The chairperson shall produce minutes of each meeting, which accurately reflects discussions. Participants shall be provided with a reasonable time period in which to comment on the minutes. In the event that no comments are received, the minutes shall be deemed to be approved. In the event comments are received, they shall be incorporated when justified, into a final version of the minutes, which shall be published on the meeting website.

7. Frequency of meetings

The group will meet on an as needed basis. As a general rule, the Demand Response European Stakeholder Group will meet 2 to 3 times per year.

8. Membership

The stakeholder group comprises of representatives from key European stakeholder organisations interested in participating. The European Commission may choose to attend as observers.

The composition of the stakeholder group will be up to 9 members from EU DSO Entity, ENTSO-E and ACER, and one member and one alternate per European stakeholder organization.

Members:

Number	Surname	Name	Company	email
1				
2				
3				

Alternates/Observers:

Number	Surname	Name	Company	email
1				
2				