

7. AOB

ACER's assessment of barriers to new entrants and smaller actors

For information and feedback



Barriers to “new entrants and smaller actors” (2020 ACER MMR) rebranded to barriers to “demand response”

- including load, energy storage and distributed generation, aggregated or individually;



Reformulation of existing indicators and definition of new indicators to support **Implementation and market Monitoring**.

- National implementation of relevant provisions of the Electricity Regulation and Directive for demand response; market effects



Case studies to identify practices **incentivising/hindering demand response**

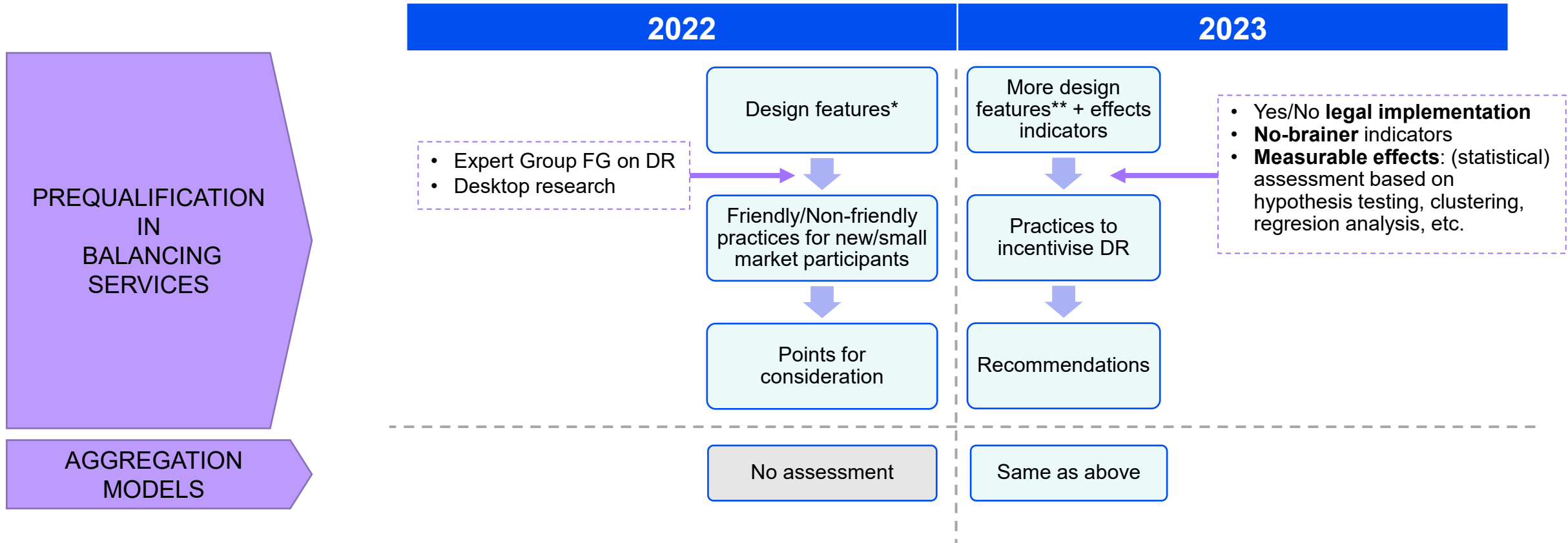
Nº	BARRIERS TO DEMAND RESPONSE	FOCUS AREASTO IDENTIFY PRACTICES TO INCENTIVISE DR
1	Lack of a proper legal framework to enable new entrants and small actors	• Aggregation models
2	Restrictive requirements to participate in capacity mechanisms and interruptibility schemes	
3	End-user price interventions	
4	Limited incentive for implicit demand response*	
5	Restrictive requirements in SO services**	• Product prequalification*** for the provision of balancing services
6	Limited competitive pressure in the retail market	

Note: * Renamed since the barrier will have a wider scope beyond dynamic retail prices.

** Renamed since the barrier will have a wider scope beyond balancing services.

*** In the product prequalification the TSO verifies the compliance of the assets of the BSP to the technical product requirements set by the TSO. On some occasions, some TSOs require potential BSPs to pass an activation test.

Case studies: scope and methodology - how could you assist?



- What would you consider as **no-brainer indicators**? (i.e. clear unanimity on the indicators' contribution to incentivise demand response)
- What **main design features** would you consider to assess effects in prequalification processes and aggregation models?

Note: * For more information on the design features assessed, please refer to ACER MMR 2021 [Simplifying prequalification processes \(europa.eu\)](#) [Microsoft Power BI](#)

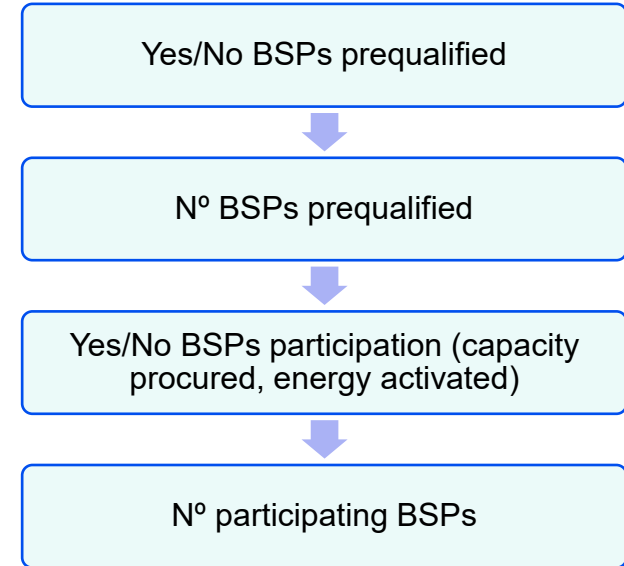
** Some new indicators are BSPs eligibility, duration of the prequalification process and telemetry requirements.

Zooming in effects indicators: how could you assist?

TYPES OF BSPs	
a) Generation units connected to the transmission system	
b) Distributed generation (participating directly)	
c) Pumped-hydro storage	
d) Batteries (participating directly)	
e) Storage other than pumped-hydro or batteries (participating directly)	
f) Load (participating directly):	
f.1) Residential consumers	
f.2) Commercial or industrial consumers	
f.3) Citizen energy communities or renewable energy communities	
g) Independent aggregators (aggregating power generation modules, demand units and/or storage units)	
h) Aggregators other than independent aggregators (aggregating power generation modules, demand units and/or storage units)	

LEVEL OF PENETRATION	
capacity procured from	b) distributed generation
energy activated from	d + e) storage other than pumped-hydro
	f) load

EFFECTS INDICATORS*



% ranges compared to i) total capacity procured and ii) total energy activated

- Is any stakeholder willing to help **filling data gaps** in April-May? (NRAs/TSOs may face some difficulties in data provision)
- Would you propose **other indicators to measure effects**?

Note: * To measure per balancing product.

- If you would like to provide assistance, please send your **replies to the previous questions** to the Electricity Wholesale Markets Monitoring team (ewpmm@acer.europa.eu) by **23 March 2023 COB**
- If you would like to provide assistance in April-May **filling potential data gaps in the effects indicators**, please send an email to ewpmm@acer.europa.eu by **23 March 2023 COB**

Thank you. Any questions?

The contents of this document do not necessarily reflect the position or opinion of the Agency.



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