

## Energy regulators call on EU law-makers to shape the right regulatory framework for Self-Consumers and Local Energy Communities

- **Renewable self-consumption and energy communities welcomed but must be fair**
- **Consumers should be able to switch supplier within 24-hours**
- **Priority dispatch for existing renewables should be removed**

Powering towards Clean Energy in a way that benefits all consumers and creates a level playing field was the theme of today's [2017 conference](#) of the Council of European Energy Regulators (CEER)<sup>1</sup>.

### **Renewable self-consumption and energy communities welcomed but must be fair**

Whilst welcoming self-consumption and energy communities, CEER calls on legislators to shape the right regulatory framework for such new structures and roles in a way that protects all consumers<sup>2</sup>:

- Consumer involvement in energy communities should be voluntary with consumer rights protected
- Cross-subsidies between active and inactive/vulnerable customers should be avoided: use cost-reflective network tariffs and avoid “net metering”<sup>3</sup>
- Energy communities that operate as Distribution System Operator (DSO) should be regulated as a DSO

CEER President, Lord Mogg, explained:

***“Regulators welcome the choice and consumer empowerment opportunities of renewable self-consumption and energy communities. However, consumer rights such as the right to join a local energy community or leave it to switch supplier must also be ensured.”***

The [CEER White Paper on Renewable Self-Consumers and Energy Communities](#) sets out 7 core principles to protect consumers rights<sup>4</sup>.

### **Consumers should be able to switch supplier within 24-hours**

Retail energy market competition must be further enhanced through tools and clear price signals. CEER President, **Lord Mogg**, said:

***“If we want consumers to be active in energy markets, they need to be able to react to and benefit from price signals. Consumers should be able to switch within 24 hours. 3-weeks duration to switch supplier is no longer acceptable.”***

### **Priority dispatch for existing renewables should be removed**

With renewables a central part of the sector (accounting for over 28% of electricity demand across Europe), regulators call on legislators to fully integrate renewables into the wholesale market:

- All participants should have balancing responsibility
- Priority dispatch for existing as well as new RES plants should be removed so that it is the cheapest plants (irrespective of plant type<sup>5</sup>) that run, minimising consumer electricity prices

A series of short Regulatory White Papers ([www.ceer.eu/white-papers](http://www.ceer.eu/white-papers)) outlines regulators' positions on a range of issues (renewables, customers, networks etc.) in the Clean Energy proposals.

Brussels, 19 September 2017

**Ends (see Notes for Editors)**

**Notes for Editors:**

1. The Council of European Energy Regulatory (CEER) is the voice of Europe's national energy regulators. Its members and observers are the independent statutory bodies responsible for energy regulation at national level.
2. CEER champions consumer issues in our belief that a competitive and secure EU single energy market is not a goal in itself, but should deliver benefits for energy consumers. CEER, based in Brussels, deals with a broad range of energy issues including retail markets and consumers; distribution networks; smart grids; flexibility; sustainability; and international cooperation.
3. Self-consumers usually rely on the energy network for electricity delivery, whenever their consumption exceeds self-generation. Therefore, they should face network tariffs which are cost-reflective in the same manner as consumers that exclusively rely on the network for their energy supply. "Net metering" is a regulatory framework under which the excess electricity injected into the grid can be used at a later time to offset consumption during times when their onsite renewable generation is absent or not sufficient. In other words, under this scheme, consumers use the grid as a backup system for their excess power production. As explained in the [CEER Position Paper on Renewable Energy Self-Generation](#) (September 2016), "net metering" should be avoided as it implies that system storage capacity is available for free.
4. The [CEER Regulatory White Paper on Renewable Self-Consumers and Energy Communities](#) sets out 7 core principles to protect consumers:
  1. New proposals, structures and roles for consumers/customers should preserve consumer rights.
  2. Adequate metering should be available to enable active consumption.
  3. Net metering of self-generation should be avoided
  4. There should be no cross-subsidisation between active and non-active customers.
  5. Network tariffs should reflect the cost and value of the system infrastructure, including for self-consumers and energy communities.
  6. Rules that apply to generators/suppliers must apply to energy communities carrying out those roles, wherever applicable.
  7. Local energy communities that operate a network, i.e., effectively function as a distribution system operator (DSO), should be regulated as a DSO and have the same obligations on service delivery and consumer right
5. Given that wind and solar plants have very low marginal costs, they will usually be run on the least-cost basis anyway (i.e. even without priority dispatch).

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