

JOINT MESSAGES FROM THE ROUNDTABLE FOR EUROPE'S ENERGY FUTURE

A CONNECTED EUROPE

European unity faces several challenges. On the one hand, with increasing fragmentation and the rise of populist and nationalist movements. On the other hand, there are strong calls for deeper integration. It is thus important to make progress in those areas, where integration is not only necessary but brings visible advantages for European citizens and industry.

The Roundtable for Europe's Energy Future underlines both the **necessity and the urgency to bring forward the Internal Energy Market and the digitisation of the energy sector** by completing the required infrastructure and laying the foundation for access to and the free flow of data. Moreover, in order to reach the objectives of the Paris agreement, a particular effort should be devoted to further decarbonising the economy, starting with the transport sector.

Interconnected energy markets and cooperation across local, regional and national borders are more important than ever. Flows of electricity do not stop at borders and new technological developments will allow consumers to play an active role in one of the biggest projects in the history of European integration – the Internal Energy Market. In a system which will rely more and more on volatile renewable energy, **cooperation will ensure that positive geographical conditions for the generation of power results in benefits for the EU as a whole.** The energy sector can undoubtedly be a powerful example of integration and European technological innovation. Consequently, our companies are committed to supporting an enhanced cooperation in the energy sector.

As Members of the Roundtable for Europe's Energy Future, **we want to continue the path of European integration and support the European institutions.** The European Union must work on a framework that does not only make efficient coordination and cooperation possible but also allows for the evolution of the energy system and the adaptation to the digital era.

DIGITAL ENERGY

Digitisation of the power sector presents not only an opportunity. It is also an extremely powerful tool to accompany the energy transition and a necessity for its success. Innovative digital services will allow for the development of evolutive, flexible and most importantly, reversible solutions that can be easily reconfigured in a rapidly changing environment. They will also facilitate an efficient coordination of the electricity system composed of ever more decentralised, remote and variable elements, and thus for a secure integration of renewables.

For this reason, the members of the Roundtable warmly **welcome the Tallinn e-energy declaration and its follow-up meeting scheduled in Paris next April 2018** to discuss new frameworks for smart grids and suggest that the Commission works closely with the Member States to quickly translate the political will into concrete actions. In particular, the Roundtable calls on EU policymakers to **accelerate the Digital Single Market Agenda to create the right framework for secure and competitive data access and transfer in the power sector.**

- The Roundtable **welcomes** the European Commission proposal on **Free Movement of Data**. Energy-related data needs to cross geographical borders in order to reap the huge benefits of digitisation and cross-geographical balancing. While, especially in the energy sector, security is a condition sine qua non, **data security in the cloud depends less on where the information is stored but more on what control measures are used to secure it.**
- In the energy sector, **free movement of data should allow real-time access to all flexibilities across the value chain.** This **will maximise the value creation for all actors of the power system** while guaranteeing a robust and cost-efficient balancing of the system. **To unlock this huge potential,** the Clean Energy Package needs to ensure that flow of **energy-related data is maximised.**
- In this regard, the Roundtable supports the leverage of market-driven, **open and interoperable data platforms** in the power sector, which will enable innovative digital solutions. For such platforms to develop, energy customers must feel safe in the cloud, no matter who provides it. Customers must have certainty that when providing access to data to other parties, they remain in control and their data is safe. Campaigns to raise awareness among customers could be considered.
- The Roundtable welcomes the European Commission's new proposed **Cybersecurity Strategy**. The Roundtable can provide its expertise in order to **strengthen efficient information exchange at EU level about attempted and perpetrated security incidents and data breaches.** The more the European electricity grid becomes trans-national, the less national cybersecurity measures are sufficient. Bi-directional energy flows also mean a much stronger cybersecurity interdependency among market players. We support the Commission's proposal to set up an EU certification framework, as long as certification and its underlying standards are driven by industry and process-oriented. Cybersecurity is as much about behaviour as it is about technology. Simple cybersecurity "labelling" schemes could therefore be counterproductive as they might create a false sense of security among users.
- Grid digitisation offers alternatives to the construction of new infrastructure. As considerable digital investments will be needed in the future, this pleads for **a better coordination between digital and energy funding programmes,** as well as **regulatory incentives and new regulations schemes** which allow grid operators to deploy investments in new digital technologies.

ELECTRO MOBILITY

In order to harvest the environmental and systemic benefits of **electro mobility, a strong policy commitment that encourages industry to accelerate its deployment across Europe** is needed. The Roundtable calls for the **electrification of cars, but also other modes of transport, to be a top priority in all upcoming European legislation and wider industrial policy**. We therefore invite the Commission (EC) to establish a **High-Level Cross-Industry Group** that explores the challenges and looks at maximising the benefits from the roll-out of electric vehicle (EV) infrastructure, in particular the provision of flexibilities to the electrical system. The Roundtable would gladly support the EC in such an endeavour.

- **A cost-efficient electrification of the transport sector will require pooling resources** in order to coordinate the deployment of EV charging infrastructure, in particular across the technology, automotive and energy industries in Europe. The widespread adoption of EVs across Europe requires expanding the charging infrastructure and introducing fast chargers. **As charging stations get more numerous and powerful, there will be a need for further investments in the networks**. This requires that governments, TSOs, DSOs and the transport industry coordinate their approaches to **grid and IT infrastructure planning** to exploit EVs full potential.
- An **appropriate regulatory framework** should be designed and put in place to ensure that storage capacity offered by EVs allows for optimal integration into the power system. As a source of flexibility for the electric system, electric vehicles could contribute to several mechanisms, ranging from a demand response approach to a participation in the reserves and balancing mechanisms. In this respect, customers should be incentivised through smart tariff structures to charge their vehicles at times when it is most economically and environmentally efficient so as to avoid power peaks and to use clean energy. Furthermore, the EU needs also to facilitate the establishment of a competitive market for charging points, without artificially constraining participation. The **Clean Energy Package** provides the right approach to regulating these new assets and flexibility services. Additionally, the second half of the **EU Transport Package**, to be released this November, should be a key milestone to scaling up the EV market in Europe.
- The lack of common standards for EV public charging points is creating an interoperability obstacle between different EV models. This inhibits consumers from choosing between a large range of charging points, increases the costs of deploying the charging infrastructure and does not facilitate the use of charging points as flexibility sources. Standardisation is key to ensure that customers across Europe can have a universal experience, to avoid over-investment and to facilitate the provision of flexibility services. The Roundtable encourages the European Commission to urgently tackle this issue by **bringing together industry and policy-makers to work collaboratively on finding solutions for the standardisation** of technology, such as Supercharger Points for EVs.

REGIONAL COOPERATION

Cross border cooperation is daily routine for the electricity sector in Europe. Electrons already travelled freely across borders at times when European citizens still had to show their passports. Today, the electricity sector is among the most integrated sectors in Europe being engaged in cross border activity 24 hours a day, 7 days a week.

In a renewable and digitised future, cooperation across borders will become even more important. Liquid markets that connect entire regions are the best way to cope with volatile feed-in from renewable energies in the most efficient manner and to integrate them into the power system. In addition, cooperation will become even more important in order to **use geographical advantages** in power production as well as the existing power grids most efficiently, to **ensure security of supply and to provide solidarity between the Member States** in times of crisis.

Despite an increasing rate of cooperation, major challenges lie ahead. With the rising shares of renewables in the decades to come, the stress on the transmission grids will increase. Therefore, the Roundtable believes that **it is vital to put consumers in the driver seat of the power market by empowering them to offer their flexibility to all markets and grid operators** at a low transaction cost.

- While support schemes for renewables may be phased out over time, it has to be secured that **energy markets in all Member States are open and non-discriminatory to new market participants** and based on a level-playing field for all market actors independent from their position in the grid level.
- Regarding system operations, it is important to **ensure that one single party remains responsible for the secure operation of the grid in each control zone**. Sharing decision-making power between national and supra-national institutions entails the risks of blurred responsibilities leading to inefficient structures and a lack of clear division of competences.
- The **Regional Security Coordinators** (TSC, Coreso) are already today successfully **providing very detailed operational planning and coordination across borders** without any conflict of competences. This **success story** should be continued rather than disrupted.
- Any **future negotiations on the Clean Energy Package should take place on the basis of Regional Coordination Centres** without decision making power, as proposed by the European Parliament's Rapporteur for the Internal Electricity Market Krišjānis Kariņš. The further development of these centres should be guided by the specific needs of each region.
- The single and unified list of tasks for Regional Coordination Centres proposed in the regulation does not sufficiently take into account the **different challenges in different regions and the respective regional changes over time**. The same applies for centralised rule-setting by the European Commission via delegated acts. Regional cooperation needs a more tailor-made, bottom-up and adaptive approach.
- The **next steps** in regional cooperation are likely to be expensive (e.g. due to much higher redispatch cost) and far-reaching (e.g. due to solidarity in crisis situations). **Decisions** should thus be taken in a **transparent way and include all key stakeholders** in advance.

- **Member States need to be increasingly involved in regional cooperation** to ensure legitimacy and political backing also in crisis situations. The “Regional Energy Forums” as proposed by ENTSO-E would ensure such involvement.
- To **increase the availability of capacity for electricity trade also across borders**, the building of new infrastructure in and between countries is one of the important measures, as long as the benefit of the new projects is demonstrated. Any rule in the Clean Energy Package that would impose additional costs or new hurdles towards the building of new infrastructure should be avoided.