CEER consultation on Dynamic Regulation to Enable Digitalisation of the Energy System

A Eurelectric response paper

May 2019

Eurelectric represents the interests of the electricity industry in Europe. Our work covers all major issues affecting our sector. Our members represent the electricity industry in over 30 European countries.

We cover the entire industry from electricity generation and markets to distribution networks and customer issues. We also have affiliates active on several other continents and business associates from a wide variety of sectors with a direct interest in the electricity industry.

We stand for

The vision of the European power sector is to enable and sustain:

- A vibrant competitive European economy, reliably powered by clean, carbon-neutral energy
- A smart, energy efficient and truly sustainable society for all citizens of Europe

We are committed to lead a cost-effective energy transition by:

investing in clean power generation and transition-enabling solutions, to reduce emissions and actively pursue efforts to become carbon-neutral well before mid-century, taking into account different starting points and commercial availability of key transition technologies;

transforming the energy system to make it more responsive, resilient and efficient. This includes increased use of renewable energy, digitalisation, demand side response and reinforcement of grids so they can function as platforms and enablers for customers, cities and communities;

accelerating the energy transition in other economic sectors by offering competitive electricity as a transformation tool for transport, heating and industry;

embedding sustainability in all parts of our value chain and take measures to support the transformation of existing assets towards a zero carbon society;

innovating to discover the cutting-edge business models and develop the breakthrough technologies that are indispensable to allow our industry to lead this transition.

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Customers and Retail Services Committee
Distribution and Market Facilitation Committee

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- Technological advancements, telecommunications and data analytics are revolutionising almost all economic sectors. Synergies between traditionally different sectors are developing (e.g. health and energy). Processes are becoming more efficient and new services and businesses are flourishing. In the energy sector, digitalisation is transforming the business architecture, redrawing boundaries and redefining relationships between consumers and utilities.

- At a time where boundaries between sectors are getting blurred, the regulatory framework must ensure that all data - and how it is exchanged - is covered by consistent and appropriate regulation. It needs to make sure that commercial players compete on equal terms to access data and provide services to consumers. Regulation must also ensure that DSOs have the right incentives and the necessary conditions to invest in/use smarter, digital solutions when cost-efficient and that privacy and security, including cybersecurity, are safeguarded.

- We agree that the value proposition for households basically relies around cost savings, convenience, choice and consumer participation. If a prioritization was needed, “choice” is probably the value proposition that would better fit with the future landscape, as customers are evolving from being a mostly uniform passive customer base to being active players, with very different needs in terms of energy and related services.

- In our view, there are 3 key enablers to unlock the benefits of digitalisation for consumers: Competitive and liberalised markets, an innovation friendly regulatory framework and an enabling smart grid infrastructure.

- The main challenge for regulators will be to ensure that policy and regulation does not create an unjustified barrier to innovation - but rather promote it - while continuing to empower and protect consumers during the transition. In the energy sector, unnecessarily rigid and pervasive regulatory rules are probably the biggest barrier to the development of solutions that would better answer customers’ new requests.

- Going forward, we would suggest regulators to focus on the 5 following priorities: regulation of intermediaries, network tariffs, regulation of platforms and new market places, market based procurement of flexibility services by DSOs and best practice approaches to enable trials of new products and business models.

1. **What impact do you consider that digitalisation will have on the energy system and which are the most important?**

Technological advancements, telecommunications and data analytics are revolutionising almost all economic sectors. Digitalisation is bringing changes to the way we live, produce, and consume. Synergies between traditionally different sectors are developing (e.g. health and energy). Processes are becoming more efficient and new services and businesses are flourishing.

Today Europe is at a turning point. The pace of innovation, digitalisation and automation holds great promise. Artificial Intelligence for instance may be a major enabler for innovation, productivity and economic growth. It may help address societal challenges and deliver tangible benefits for citizens in areas such as healthcare, public security, transportation, energy or disaster management. Resilience to climate change related issues will also be increasingly important going forward and digital solutions can help make assets and infrastructure more robust.

In the energy sector, digitalisation is transforming the business architecture, redrawing boundaries and redefining relationships between consumers and utilities. Such an evolution has an even greater impact in our sector since it takes place in parallel with other profound changes:

- Power is no longer fully generated from centralised and conventional power plants. It is increasingly produced from variable (and mostly non-dispatchable) renewable sources connected at distribution level.

- Distribution system operators (DSOs) are facing significant challenges to keep ensuring secure and reliable operation of the system in such a changing environment. In parallel, they have a key role to play to facilitate the market uptake of new services, and by this, to promote active customer participation in the energy transition.

- Suppliers are no longer the only players serving consumers. With the liberalisation of end-user markets, new players (ESCOs, aggregators, technology companies, etc.) have progressively entered markets, competing to offer services to consumers.

- Consumers are evolving from a passive role of mere recipients and they are becoming more active and increasingly interested in value-added services and business models beyond energy.

- Technological advancements are enabling an increasing electrification of society (e.g.: EV adoption) and at the same time enabling flexibility from demand side.

The digitalisation of the energy system and the advent of smart meters and smart grids can bring benefits to all energy players.

- In the short term consumers will gain more control over their energy use and benefit from additional services. Suppliers will optimise their business, tailor new offers and improve their communication towards customers. System operators will benefit from new tools to

manage their grids more cost-efficiently and integrate an increasing amount of variable renewables in the system.
- In the long term, interaction between intelligent appliances, smart grids and home platforms – mediated by or on behalf of consumers – will usher in a new era with radically different consumption patterns centred on automation and remote controls.

The road to digitalisation, however, is a winding one.

- The roll-out of smart meters at European level is taking place at a slower pace than expected because of varying cost-benefit analysis outcomes in different European countries as well as data privacy and security concerns.

- Digital appliances and services may not yet be attractive enough for many consumers and add complexity to the organisation of the energy sector.

- For businesses, a lack of standardisation and interoperability will, if not properly addressed, slow down the commercialisation of new appliances. Learning to process and convert reams of unstructured data into concrete action also takes time.

- Last but not least, potential misalignments between the needs of the system and the development of new services such as electric mobility or the use of DER are contributing to increasing the risks associated with the transition process in the mid to long-term.

Markets and innovation will solve some of these issues[1]. However, many challenges will only be mastered if the regulatory framework is fit for purpose. In this context we welcome CEER's consultation. At a time where boundaries between sectors are getting blurred and ever larger sets of data are becoming available, the regulatory framework must ensure that all data and how it is transacted – be it energy related, telecoms-related or from online platforms - is covered by consistent and appropriate regulation. It also needs to make sure that commercial players compete on equal terms to access data and provide services to consumers. Moreover, regulation must ensure that DSOs have the right incentives and the necessary conditions to invest in/use smarter, digital solutions when cost-efficient and that privacy and security, including cybersecurity, are safeguarded.

2. What are your views on the changes for the energy system highlighted in this chapter and are these the most relevant?

We fully agree with CEER that digitalisation has the potential to enhance productivity of the current energy system, enable new products and services as well as to disrupt and transform the way the sector transacts.

[1] The European Union, particularly through the Horizon Europe program for innovation and digitalisation of the energy sector, can play an important role in this regard, as it already did for the development of clean vehicles or energy efficiency.

a. Increases the productivity of the existing system;

Eurelectric agrees with the integrated approach mentioned in the public consultation. Digitalisation has been directly impacting the optimisation of the network. The increasing amount of available data, together with an optimization of its exploitation, allow for example for a better understanding of the use of the grid and the changes in both supply and demand. As shown in the Eurelectric "Decarbonisation Pathway" study, digitalisation can contribute to decreasing future grid costs, which will prove very useful as peak loads are increasing. However, to ensure real savings in the system productivity, market developments should be better linked to system enhancement, and the framework for data management should also evolve. In this regard, Eurelectric agrees with the CEER's proposal in its "New Services and DSO involvement" paper to extend the role of DSO in Data management, while ensuring that they properly procure their needs from commercial service providers in the most cost-efficient way.

b. Enables new products and services that alter electricity demand;

We agree with CEER's analysis and the various examples given regarding smart buildings and heating/ cooling services, mobility as a service and new energy pricing models and products. As the digitalisation of the energy business progresses, the amount and granularity of available data coupled with new technologies make it possible to develop a range of new commercial services beside plain electricity supply. These include demand response, energy efficiency, home management programmes, clean mobility services, self-consumers, tailored customer solutions and bundled products. The development of new services is often conditional upon consumers giving their consent to access their (smart) meter data on a more granular basis to enable energy management. A reliable and secure communication infrastructure is also crucial to enable these new services to be introduced and to function properly in an increasingly integrated energy system.

c. Brings new digital marketplaces that transform the way the sector transacts?

Many of these digital market places and enabling technologies such as blockchain are still in their early stages but we agree with CEER that they are likely to play an increasing role in the medium and long term. As shown in our papers on "Blockchain in electricity"[2], the development of local market places (e.g. through blockchain or equivalent platforms) could, with the right conditions in place[3], contribute to system operation - and thereby reduce network costs, improve the economics of small-scale renewables and DER, and give customers greater choice and transparency regarding energy supply. However, the deployment of new blockchain (or equivalent) implementations remain burdened by high costs, slow transaction indicators, and other technological limitations and risks, particularly regarding market regulation and user-friendliness. The use of P2P technologies in the energy sector should therefore be carefully monitored.

[2] See "Blockchain in Electricity: a Critical Review of Progress to date" and "Blockchain in Electricity: A Call for Policy and Regulatory Foresight", Eurelectric, May 2018

[3] These include ensuring sufficient liquidity, accounting for the risk of gaming and having the right coordination and market mechanisms in place.

Regarding the impact of flexibility platforms, Eurelectric would like to highlight the following key principles for inter-alia congestion management, defined in the joint ENTSO-E, Eurelectric, E-DSO, Geode and CEDEC report on "An integrated approach to Active System Management"[4]:

- Access should be easy for the customer;
- Interoperability with other platforms must be ensured;
- Platforms must avoid harmful interference and conflicts beyond their associated grids;
- TSO-DSO coordination and mutual data exchange is an activity in the regulated domain;
- Platforms solutions should be technology neutral.

Detailed elements of Eurelectric position can be found in the other relevant publications on this topic[5].

3. In your view, what are the most important value propositions for consumers which should be prioritised?

First of all, we agree that it is very important to distinguish between different categories of consumers as households, SMEs and large industrial consumers are completely different, whether it is their level of consumption, their possibility of engagement in the market or the type of products likely to attract them and fit their needs.

When it comes to households, we agree that the value proposition basically relies around cost savings, convenience, choice and consumer participation. Overall, we also agree with CEER's description of the main issues related to these four aspects. If a prioritization of the identified proposals was needed, "choice" is probably the value proposition that would better fit with the future landscape, where customers are increasingly evolving from being a mostly uniform passive customer base to being active players, with very different needs in terms of energy and related services. Any different prioritization will probably go to the detriment of another value proposition ("cost savings" to "convenience" and vice versa). If there is "choice", customers looking for cost savings will be able to focus their search for an energy offer mainly on price, while customers looking for convenience will look for solutions that, although being more expensive, could allow them to save in time and complexity managing many services together with their energy supply.

For SME's and large industries, the increase in energy efficiency, self-consumption and participation in existing and new energy markets will be crucial.

[4] - "An integrated approach to Active System Management', ENTSO-E, Eurelectric, E-DSO, Geode and CEDEC, April 2019

[5] See detailed positions taken by Eurelectric on flexibility:
- "Flexibility in the Energy Transition, a Toolbox for Electricity DSOs", Eurelectric, E-DSO, Geode, CEDEC, February 2018
- Eurelectric's consultation responses on Electricity Balancing Guideline (EBGL), Capacity Allocation and Congestion Management (CACM) Guideline and Forward Capacity Allocation (FCA) Guideline
- ''Achieving a level playing field in the integrated Intraday and Balancing Markets'', Eurelectric, July 2018

4. **In your view, will digitalisation lead to more consumer participation in energy markets? Please provide your reasoning.**

We agree with CEER's analysis. Clearly, technological innovation and digitalisation – and the new products and services they make possible - are likely to stimulate customers' interest and appetite to participate in energy markets.

The extent of cost savings, the value of the convenience or comfort these products bring as well as whether the financing options facilitate participation will be key elements to trigger more participation from consumers. Furthermore, the design of smart, simple and flexible regulation will play an important role to ensure that digitalization in the energy sector is perceived as an opportunity and not as an additional complexity.

5. **What are the key enablers needed to unlock the benefits of digitalisation for consumers?**

In our view, there are 3 key enablers to unlock the benefits of digitalisation for consumers:

- 1/ Competitive and liberalised markets: Increased competition on markets can allow customers to foster the development of a real diversity of offers and services and to make informed choices. Moreover, customers should be allowed to benefit from market-driven prices showing them the value of becoming more active. It is worth stressing that today, a large part of household electricity bills is regulated (taxes, charges). This part of the bill remains unaffected by changes in wholesale prices. The larger it is, the lower the signalling effect for customers, reducing the likelihood that customers' flexibility potential will be used. On top of this, several countries still apply regulated prices, with a high level of price intervention that extend also to the so called "energy component".

- 2/ An innovation friendly regulatory framework: This should start again by promoting competition and well-functioning markets as the most efficient way to enable innovation. It means in particular that all market players should compete on a level playing field and have equal access to data[6], that freedom of contract should be respected and that no mandate should be given to specific technologies. Such a regulatory framework should be stable and focus on defining enforceable principles over detailed and prescriptive rules. In this respect we welcome CEER's acknowledgement that "regulators need to adopt a more agile approach, rapidly responding to new products and service proposals and removing barriers where appropriate" as well as avoid "jumping to lock in solutions too soon". Innovation, piloting and demonstration, supported and monitored by regulation, are fundamental to anticipate future needs in a fast-evolving context.

- 3/ An enabling smart grid infrastructure: Smart grids and smart meters with appropriate functionalities and the availability of real-time metering data are of utmost importance for the market to provide innovative services to customers. Data management should be facilitated by a neutral party to ensure non-discriminatory access and a level playing field.

[6] provided that, these data are not confidential and the consumer has communicated the proper consent

Smart grids will also play a key role to coordinate system operation with market activities, fostering a cost-effective environment to enable customer active participation.

6. **What are the main risks for consumers arising from digitalisation of the energy sector?**

We would refer to challenges more than risks but indeed some key challenges need to be overcome.

With the digitalization of society, the boundaries between different industries are becoming much more porous and many service providers are now approaching consumers to offer them various products and services. Whilst this presents opportunities for consumers, helping them to navigate these complex markets has become a central issue.

Digitalisation of services leads service providers to process an ever increasing amount of data. Another challenge is thus to ensure data privacy and security whilst allowing innovation to shine. The recently adopted Data protection regulation provides a very useful framework from this perspective.

A third key challenge is to ensure that the energy transition benefit all customers. Many of today's benefits such as access to more competitive energy services or comparison tools hinge on a stable and consistent internet connection. Equally important, the overall system must be kept fair to all customers, including those who do not want to take an active part in the market or those who cannot afford to invest in distributed generation, and technologies and equipment's for smart-homes.

Last but not least, the net impact of digitalisation on the number of jobs is hard to predict due to the many unknowns: some jobs will disappear, while new ones will emerge. A focus on continuously developing the right skills and attitudes will however ensure people's employability throughout their careers.

7. **What would a "whole energy system" approach look like – would this unlock more benefits of the digitalisation of the energy system?**

Digitalisation will not only have an impact on the energy system but also on the new ways of producing and consuming energy. It will help to better understand and manage the energy usage in buildings; it will allow transport to be more interconnected; it will help optimize production, resorting (for instance) to artificial intelligence, with learning algorithms to allow for a better forecast of DER; it will enhance cross-border transactions optimization with cost-efficient gains.

In general, a whole energy system approach will lead to higher efficiencies at system level and avoid suboptimal solutions. Coordination between actors in the regulated (TSO and DSO) and market environments, as well as the secure and efficient exchange of data between authorised players, will contribute to the efficient operation of the whole energy system (e.g. a more efficient use of assets) and to the maximisation of the value for customers. Sector coupling between electricity, district heating and gas should also be thoroughly assessed when drafting new regulation.

Some speak of a 4th industrial revolution when referring to digitalisation since new technologies disrupt current business models and offer new opportunities:

- Generating, storing and analysing large amounts of data has never been so easy in human history.
- Objects and even living beings can be connected to exchange information and to act in an "internet of things".
- New high-speed fixed and mobile communication networks (e.g. 5G) enable a faster than ever exchange of data worldwide.
- Cloud computing makes data easily accessible from anywhere in the world at a low cost.
- New platforms connecting providers and clients of services and goods are boosting and create added value in new ways.

8. Do you agree with the analysis presented here on the key areas in which energy regulators should focus?

In general, we want to congratulate CEER on this document which is comprehensive and very relevant both to the challenges related to the digitalisation of the system and the answers to be provided by regulators. As CEER points out, the key challenge for regulators will be to ensure that policy and regulation does not create an unjustified barrier to innovation – but rather promote it - while continuing to empower and protect consumers during the transition.

Acknowledging the increasing role of digitalisation and new services for the business model of energy suppliers, Eurelectric recently established a dedicated working group, which has among its tasks the identification of the regulatory framework which could better support this evolution of the final energy market. This is because after having mapped some of the innovative offers and services provided by our members across Europe, one of the main findings was that unnecessarily rigid and pervasive regulatory rules in the energy sector are probably the biggest barrier to the development of solutions that would better answer customers' new requests.

Here are two examples:

1) Billing: The very commendable original goal of providing complete transparency to the consumer has resulted in 8 or 10 page invoices in many countries that discourage any consumer from looking at them. In this respect, the Clean Energy package is unfortunately not going to improve the situation.

2) Price comparison tools: Whilst it is certainly good to have certified tools helping customers to navigate the market, we should probably question whether focusing comparison on energy prices only still makes sense today as main driver of customers' choice. First of all more than half of the total energy price is made of components which are not related to the energy supply. Second, focusing the comparison on energy prices does not make it possible to bring out the value brought by the innovative services. Indeed it is impossible

to convert the price of a service in €/kWh. Moreover, in some cases innovative offers cannot even be published on PCTs as they do not fit the comparison algorithm. Does this make sense in a world where consumers are increasingly willing to bargain economic saving with other important values, such as simplicity, time-saving or sustainability?

If we want the energy market to keep pace with other markets and offer innovative services which better answer customers' various needs, the change of mindset should involve not only suppliers, but policymakers and regulators as well. It is striking to see how consumers who are considered perfectly able to make autonomous and sensible choices on other markets (such as telco, pay-tv, etc.) are seen as unable to do the same for energy and thus requiring extensive protection. Is this really needed for all customers?

Too often the typical path of a new commercial offer stops when the business and marketing people come and knock on the company's regulatory office door. Too often companies are faced with situations where the lack of coordination between different regulatory institutions and other entities in charge of different subjects lead to unclear regulation, hampering innovation (most recently see the proposed E-privacy regulation which, if it remains as it stands, would make it very difficult to process customer's data to offer energy services).

On the DSO side, we agree that NRAs should review network tariffs and ensure that they properly fit the ongoing challenges and the ones ahead. NRAs should assess whether the regulatory framework addresses new issues such as the market-based provision of flexibility for grid services in a way that is aligned with economic and efficiency principles. It should also encompass the need for DSOs to rely on toolboxes of solutions which are to be designed in the best interest of society and of the energy transition process. We welcome the focus on DSO-TSO relationships, notably in a changing distributed system where dynamics between central and regional/local operation require further cooperation between system operators.

9. **Which of the specific draft proposals should regulators pursue? Which should they not undertake? In both cases, please explain the reasoning for your answer. Bearing in mind that resources will not allow progress on all actions by regulators simultaneously, please indicate your top 5 priorities for action by regulators in the near term.**

We would suggest to focus on the following topics and draft proposals as the top 5 priorities for action:

- Draft regulatory proposal 6 on the regulation of intermediaries**:**

We would agree that regulation of intermediaries is something that regulators could look into in the future. Too often policy makers and regulators tend to focus on traditional players such as suppliers. Promoting competition on a level playing field is the most efficient way to enable market innovation, especially at a time where service providers multiply. In this regard, Eurelectric regrets the outcome of the new Electricity Directive, which is lacking relevant provisions regarding obligations of aggregators and third-parties towards consumers on billing and switching as well as data security and data protection.

We also want to highlight that introducing a default supplier may not be needed in all national markets as long as appropriate level of customer protection is provided.

- Draft regulatory proposal 7 and 9 on network tariffs :

We agree with CEER that all new market actors should be subject to an appropriate network tariff reflective of their use of the distribution grid. When a new actor, for example an energy community, is connected to the grid and uses their services, it should contribute to its costs, encompassing distribution costs, policy costs, taxes and levies. There should be adequate incentives for actors which bring potential benefits and services to the main grid through a non-discriminatory, clear and transparent scheme.

As CEER describes in the context of new business models, there is a risk that network users reduce their grid usage and thus their grid tariffs whilst still relying on the grid for back-up. Regulators together with network operators and network users have to find the best solutions to ensure that network operators can cover their costs. We would not exclude a change to tariff structures which rely more on kW or fixed elements. Instead, the effects of different approaches on the different grid users and on the predictability of the network operator's income have to be analysed carefully.

Concerning incentives for system operators for efficient grid operation and sustainable investment decisions, it is indeed essential not to create a bias towards specific solutions or types of costs. However, it is also important to emphasise that not all regulatory frameworks are biased towards capital intensive solutions. Many regulatory frameworks already incorporate technology-neutral elements, such as a TOTEX-benchmark or output-based elements

- Draft regulatory proposal 8 on regulation of platforms and new market places.

While Eurelectric agrees with the wish of CEER to promote digitalised platforms and markets places as a way to encourage the participation of prosumers, we also welcome the recommendation to establish adequate oversight and feedback from stakeholders. Setting up digitalised platforms should not be defined as a priority in itself but should be linked to the concrete added value brought to the grid.

Regarding the impact of flexibility platforms, Eurelectric would like to highlight the following key principles, defined in the new joint ENTSO-E, Eurelectric, E-DSO, Geode and CEDEC report on "An integrated approach to Active System Management":

- Access should be easy for the customer;
- Interoperability with other platforms must be ensured;
- Platforms must avoid harmful interference and conflicts beyond their associated grids;
- TSO-DSO coordination and mutual data exchange is an activity in the regulated domain;
- Platforms solutions should be technology neutral.
- Market power and liquidity should be monitored carefully in order to avoid the risk of gaming.

Detailed elements of Eurelectric position can be found in the other relevant publications on this topic.

- Draft regulatory proposal 10 on market based procurement of flexibility services by DSOs

We support a regulatory framework that allows and incentivises DSOs to procure flexibility services through the market (e.g. based on a tendering procedure) and permits ownership and operation of storage devices only under certain circumstances, except if these devices are defined as "fully integrated network components" and the NRA has granted its approval. i.e. when needed for the efficient, reliable and secure operation of the networks - or when the market fails to provide a cost effective solution.

The Clean Energy Package specifies the conditions under which a DSO is allowed to provide the needed flexibility with its own assets and can operate storage devices:

- if following an assessment of the market the NRA concludes that no tendering procedure is needed and gives its approval or;
- If following a tender/market test performed in an open and transparent manner under the NRAs' supervision, no market parties have expressed interest to own, develop, manage or operate the storage facilities.

We support the inclusion of this and flexibility solutions more generally in the network development plan to be produced on a cycle determined by the NRA. The national regulator should consult system users on the network development plan, and publish the results of the consultation process

- Draft regulatory proposal 14 on best practice approaches to enable trials of new products and business models:

This proposal seems absolutely essential and the "sandboxes" method could represent the right way forward to allow for innovative solutions to be tested. Indeed, it could avoid the typical slow down originated by an existing regulatory framework which is not "fit for purpose", having been defined before new technologies and products were developed. Moreover some regulators have good practices to promote. A few years ago Ofgem for example allowed some suppliers to temporarily derogate from the regulatory rules on billing to be able to test new innovative bills.

The following proposals seem less essential:

- Draft regulatory proposals 1 and 2 on data availability:

We fully agree that it is relevant to make sure that all market players have non-discriminatory access to grid data and consumption data when customers consent. At the same time the Recast Electricity Directive contains a number of new provisions which should improve the situation: Art

24, Art 34. In addition, data hubs are being set up in a number of European countries and will make data access smoother for all players.

- Draft regulatory proposal 3 on data privacy:

We fully agree that data privacy is a fundamental issue. At the same time the EU has just adopted the General Data Protection Regulation which should tackle most of these concerns. It is probably worth waiting before taking additional action. Besides, should further steps need to be taken, this would need to be done at horizontal rather than sectorial level.

- Draft regulatory proposal 5 on consumer protection regarding new products (from dynamic pricing to bundles):

This is relevant and required by the Electricity Directive. We would agree that trying to maximise reliance on general consumer law will help. More cooperation between regulators across sectors is also key.

10. Do you have any other general observations to make on the topic of this consultation paper?

This CEER document is generally very well documented and proposes a relevant analysis of the issues related to the digitalisation of the energy sector. The purpose of this document, however, could be clarified and the questions may have deserved to be more specific. Indeed, it is difficult to give exhaustive answers to questions as wide as "what impact do you consider that digitalisation will have on the energy system?" Last but not least, it might be useful to link this work to the study in progress by the European Commission – commissioned to PWC and Tractebel - on "Assessment and roadmap for the digital transformation of the energy sector towards an innovative internal energy market", in particular the 3rd objective of the study which will focus on analyzing the interaction of the different sectors in a "digitalized energy sector" and the regulatory challenges stemming from the increased cross-sectoral environment.

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Eurelectric pursues in all its activities the application of the following sustainable development values:

Economic Development

- Growth, added-value, efficiency

Environmental Leadership

- Commitment, innovation, pro-activeness

Social Responsibility

- Transparency, ethics, accountability

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