

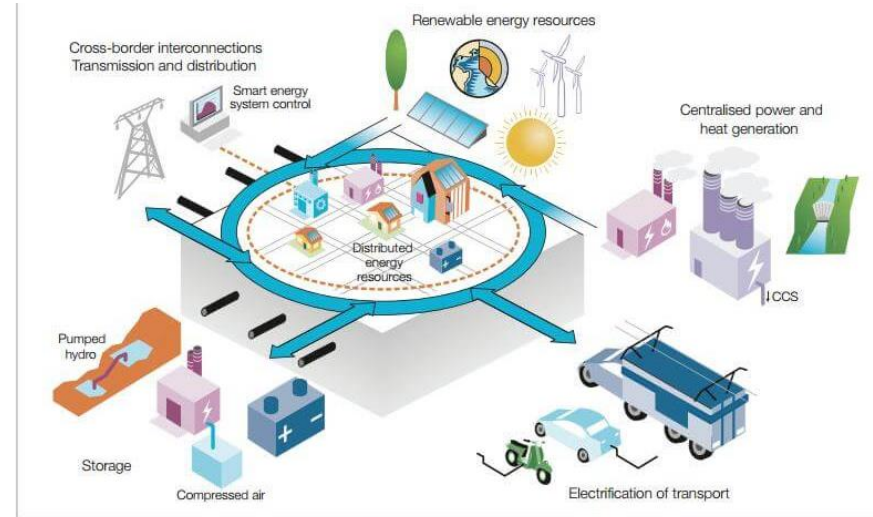
# New Competences for Regulators

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# Innovation driving regulatory policy

- Energy consumption is gradually shifting towards **electrification**, largely driven by innovation and e-mobility
- Reduction in the cost of RES implies an increased penetration, reducing the average size of generators in the system, **increasing distribution-embedded generation**
- **Decentralized production** and additional resources connected to the distribution system implies DSOs will assume an increased role in providing **flexibility** in the network.
- DSOs will therefore assume a new role in providing flexibility. Increased **DSO-TSO cooperation**.
- Regulators **improve incentives for DSM?**



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# Accommodating EU environmental agenda

- The **Decarbonization** agenda will impact future energy markets
- The Clean Energy for All Europeans (Winter) Package led to the adoption of a **32% RES and 32.5% energy efficiency target** by the European Parliament
- Increased **intermittent RES penetration** will make life difficult for TSOs – **flexibility and system resilience will be key**
- Transitioning from PPAs and priority-dispatching towards **market-compatible RES support schemes** will be a great challenge for Regulators
- A **new market design** will be required to accommodate steadily increasing RES levels



Source: European Commission

# Regulators' new roles

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- **Regulators must define their role innovation.** Should they be active promoters or actively follow developments?
- **Prosumers participation** will increase in the future, should regulators protect existing infrastructure?
- What can regulators do to improve customers' **incentives for flexibility** and to **enhance DSM**?
- **Digitalization** will enhance customers' ability to participate in the market. Do regulators have a **role in promoting data-sharing** and how?