



Demand side flexibility and the new electricity market design

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Demand response to participate alongside production in all electricity markets

Article 17 - Demand response through aggregation

1. *Member States shall allow and foster participation of demand response through aggregation. Member States shall allow final customers, including those offering demand response through aggregation, **to participate alongside producers in a non-discriminatory manner in all electricity markets.***
2. *Member States shall ensure that transmission system operators and distribution system operators, when procuring ancillary services, treat market participants engaged in the aggregation of demand response in a non-discriminatory manner alongside producers on the basis of their technical capabilities.*

Right to enter into contractual relation with aggregator without consent of the supplier

Article 13 – Aggregation contract

2. *Member States shall ensure that, where a final customer wishes to conclude an aggregation contract, the final customer is entitled to do so **without the consent of the final customer's electricity undertakings.***

Article 17 – Demand response through aggregation

3. *Member States shall ensure that their relevant regulatory framework contains at least the following elements:*
 - a. *the right for each market participant engaged in aggregation, including independent aggregators, **to enter electricity markets without the consent of other market participants;***
[...]

Aggregators financially responsible for imbalances that they cause

Article 17 – Demand response through aggregation

3. *Member States shall ensure that their relevant regulatory framework contains at least the following elements: [...]*
 - d) *an obligation on **market participants engaged in aggregation to be financially responsible for the imbalances that they cause** in the electricity system; to that extent they shall be balance responsible parties or shall delegate their balancing responsibility in accordance with Article 5 of Regulation (EU) 2019/943;*

Strict limits to compensation payments

Article 17 - Demand response through aggregation

4. *Member States may require electricity undertakings or participating final customers to pay financial compensation to other market participants or to the market participants' balance responsible parties, if those market participants or balance responsible parties are directly affected by demand response activation. **Such financial compensation shall not create a barrier to market entry for market participants engaged in aggregation or a barrier to flexibility.** In such cases, the financial compensation shall be strictly limited to covering the resulting costs incurred by the suppliers of participating customers or the suppliers' balance responsible parties during the activation of demand response. [...]*