

EVENT: 27th March 2026, 10h-11h30, Online Webinar

What contribution of Demand Response to European power markets by 2030? What are the implementation priorities today?

List of Speakers and Organisations

- Jennifer Corradi, **EnergyPool**
- Pierre Bivas, Chair of **DR4EU**
- Fabien Roques, Executive VP & Head of EU Energy, **Compass Lexecon**
- Thomas Kawam, Policy Officer, **DG Ener, European Commission**
- Athina Tellidou, Policy Officer, Market Codes, **ACER**
- Beatrice Petrovich, Senior Policy Analyst, **Ember**
- Matt Ersin, Chair, **Giga** & Senior Vice-President **Fastned**
- Oliver Sartor, Chief Economist, **Voltalis**
- Karl Bach, CEO & Co-Founder, **Axle Energy**
- Dries Acke, Deputy CEO, **Solar Power Europe**
- Federico Dona, Energy Manager & Policy Assistant to the Director General, **Eurofer**

Overall Meeting Summary

This webinar examined the critical role of demand response (DR) in Europe's electricity markets, with a strong emphasis on policy and especially *implementation* actions in member states and via the forthcoming Network Code needed to unlock its full potential. Across all speakers, there was clear consensus that scaling demand-side flexibility is urgent due to rising electricity prices, increasing volatility, and the rapid expansion of renewable energy, and would contribute significant value for consumers.

Speakers repeatedly stressed that demand response is one of the fastest, most cost-effective tools available to stabilise and secure the power system with higher shares of wind and solar, reduce system costs, and support decarbonisation. However, despite strong evidence, deployment remains constrained today by regulatory barriers, inconsistent implementation across Member States, and limited market access.

A central theme was the need for implementation of existing frameworks by member states, among other complementary measures that could also be undertaken. Issues raised by different speakers included: opening all electricity markets to demand response, removing structural and regulatory barriers, ensuring supplier compensation mechanisms are not a barrier to demand response, and ensuring fair participation for

aggregators and consumers. The discussion highlighted that while EU-level frameworks exist or are being finalised, the real challenge often lies in national-level execution and enforcement.

Overall, the webinar concluded that there is high benefits from development of DR for European consumers and energy transition goals, and that fast and coordinated policy action is required to fully integrate demand response into Europe's energy system and realise its system-wide benefits.

Speaker Summaries

- Jennifer Corradi, **EnergyPool**

Jennifer Corradi opened and moderated the session, framing the discussion around the role of demand response in Europe's evolving energy system.

She underscored the urgency of scaling demand response, noting that ***“demand-side flexibility is no longer optional—it is essential to making the energy transition work.”***

- Pierre Bivas, Chair of **DR4EU**

Pierre provided a detailed overview of the current state of European electricity markets, focusing on the increasing volatility and rising price levels observed in recent years. He explained how these trends are closely linked to structural changes such as renewable intermittency, reduced baseload generation, and external energy shocks.

He demonstrated that demand response can play a significant role in addressing these challenges by reducing peak demand and stabilising prices. Through examples and analysis, he showed that even modest levels of flexibility can have a disproportionate impact on market outcomes, lowering costs for all consumers. Pierre strongly argued that demand response should be treated as a core component of market design rather than a niche solution.

He strongly advocated for opening all electricity markets to demand response, stating that ***“we need to ensure that demand response can participate fully across all market segments.”***

He also stressed the importance of removing regulatory barriers that prevent efficient participation. Policy recommendations included enabling full market access (wholesale, balancing, capacity), simplifying participation rules, and ensuring that demand response is treated on equal footing with generation resources.

- Fabien Roques, Executive VP & Head of EU Energy, **Compass Lexecon**

Fabien presented a modelling study: “*Analysis of Demand-Side Response benefits and needs of the European power system*”.

This analysis showed that expanding demand response capacity could significantly reduce average electricity prices, dampen volatility, and lower overall system costs. He also noted that current projections likely underestimate the true potential of demand response, suggesting that even greater benefits could be achieved with more ambitious deployment. He emphasised urgency, stating that “***there is a clear and immediate opportunity to scale demand response at low cost.***”

Fabien emphasised that demand response serves as a form of system resilience, particularly during periods of crisis such as high fuel prices or supply shortages. He concluded that policymakers should prioritise unlocking demand-side flexibility as a cost-effective and scalable solution.

- Thomas Kawam, Policy Officer, **DG Ener, European Commission**

Thomas provided insights from a European Commission perspective, focusing on the regulatory and policy frameworks governing demand response. He highlighted that the EU has already introduced legislation supporting demand-side participation, particularly through the Clean Energy Package.

However, he acknowledged that implementation across Member States remains uneven, with significant differences in market access, incentives, and regulatory clarity. Thomas stressed that the main challenge is no longer policy design but effective execution and enforcement at the national level.

He called for greater consistency in how demand response is integrated into electricity markets, including ensuring access to balancing, capacity, and wholesale markets. His remarks underscored the need for stronger alignment between EU objectives and national practices.

He stated that “***the framework is largely in place — the challenge now is implementation.***”

- Athina Tellidou, Policy Officer, Market Codes, **ACER**

Athina provided a regulatory perspective from ACER, focusing on the role of market design in enabling or constraining demand response. She noted that while flexibility is increasingly recognised as essential, regulatory frameworks still require more development and harmonisation.

She explained key elements of ACER’s recommendations relating to the forthcoming Network Code for Demand Response. And also emphasised the monitoring process now underway to support identification of barriers but also implementation of solutions and opportunities for EU harmonisation of best practices. She noted that **“it is not enough to allow demand response in theory — markets must be accessible in practice.”**

Athina also highlighted the importance of transparency and consistency in regulatory approaches across Europe. Her contribution reinforced the idea that effective regulation, harmonisation and coordination is key to unlocking the full potential of demand-side flexibility.

- **Beatrice Petrovich, Senior Policy Analyst, Ember**

Beatrice Petrovich focused on the policy and advocacy dimension of demand response, emphasising the need for stronger political commitment and stakeholder coordination. She highlighted that while the benefits of demand response are well understood, progress has been slow due to fragmented efforts and competing priorities.

She stressed the importance of raising awareness among policymakers and ensuring that demand response is included in broader energy and climate strategies. Beatrice also pointed to the role of data, transparency, and stakeholder engagement in building trust and facilitating participation.

Her contribution underscored that achieving scale will require not only technical and regulatory solutions but also sustained advocacy and collaboration across the energy ecosystem.

- **Matt Ersin, Chair, Giga & Senior Vice-President Fastned**

Matt Ersin contributed to the discussion by highlighting the broader system-level benefits of demand response, particularly in terms of reliability and resilience. He emphasised that demand-side flexibility can play a critical role in managing peak loads and avoiding costly infrastructure investments.

He also discussed the importance of creating clear and stable market signals to encourage participation from a wide range of actors, including commercial and industrial users. Matt noted that uncertainty in revenue streams remains a key barrier to scaling demand response.

His remarks reinforced the idea that demand response should be integrated into long-term system planning, not just short-term market operations. He advocated for a more strategic approach to unlocking its full value.

- Oliver Sartor, Chief Economist, **Volta**

Oliver focused on the practical realities of scaling demand response, drawing on industry experience. He pointed out that despite strong evidence supporting demand response, real-world deployment remains limited due to market design challenges and insufficient incentives, often linked to supplier compensation rules.

He emphasised the importance of creating functioning and accessible markets where demand-side resources can compete on equal terms. Oliver also highlighted the role of demand response in reducing electricity prices and mitigating the influence of gas prices on the power market: “**removing barriers to demand response is one of the quickest wins we have.**”

His intervention stressed that closing the gap between theory and practice requires not only regulatory changes but also a shift in how markets value and reward flexibility. He called for more ambitious and coordinated action to unlock demand response at scale. He also highlighted the need to decouple electricity prices from gas.

Policy recommendations included implementing market frameworks and ensuring viable revenue streams for demand response providers, especially in the context of supplier compensation rules.

- Karl Bach, CEO & Co-Founder, **Axle Energy**

Karl provided a technology-focused perspective, highlighting the role of digital platforms and aggregation in scaling demand response. He explained how distributed energy resources such as electric vehicles, heat pumps, and home batteries can be coordinated to provide significant system flexibility.

He emphasised that the technical potential for demand response is already substantial, but realising this potential depends on clear market signals and accessible revenue streams, including via compensation rules that do not create unnecessary barriers. He noted that “**the potential is already there, but it depends on clear and accessible market incentives.**”

He stressed that aggregators need “**stable policy frameworks**”. His contribution illustrated how innovation and technology can drive the expansion of demand response, provided that regulatory and market frameworks support their integration.

- Dries Acke, Deputy CEO, **Solar Power Europe**

Dries focused on the relationship between demand response and renewable energy integration. He argued that flexibility is essential for maintaining the stability and efficiency of a power system with high levels of wind and solar generation. He stressed that the lack of flexibility is becoming extremely urgent now as new solar projects were potentially facing below breakeven prices due to a lack of system flex.

He highlighted that without sufficient demand-side flexibility, renewable energy growth could be constrained by system imbalances and increased curtailment. Demand response helps align consumption with renewable generation, improving system efficiency and reducing costs.

He stated that “**without flexibility, the energy transition will face significant constraints.**” He highlighted the need to align demand with renewable generation. Dries emphasised that demand response should be seen as a key enabler of the energy transition, supporting both decarbonisation goals and market stability.

He gave a list of key actions from SPE’s new report to boost flexibility, including under its [Let’s Flex Campaign](#), that included

1. Assess and plan for flex needs.
2. Reward flexibility fairly
3. Streamline grid integration

- Federico Dona, Energy Manager & Policy Assistant to the Director General, **Eurofer**

He provided the perspective of energy-intensive industries, focusing on competitiveness and cost management. He stressed that “**high and volatile electricity prices are a major concern for industry,**”

He highlighted that demand response can help reduce energy costs and improve predictability, making it an important tool for maintaining competitiveness. Federico also stressed the need for coherent policy frameworks that align energy, industrial, and climate objectives.

His contribution underscored that there was a need to ensure industrial consumers have optionality when it comes to demand response strategies, and in particular that such mechanisms should be market based to reward industry appropriately for the costs of participation. He also noted ensuring that we must ensure they have the necessary tools and incentives to participate effectively. Not all industrial sites have the same costs of

providing DR and in some cases it may make sense to select cheaper options in the DR merit order.

Federico also noted that changes to electricity market design were important to manage Europe's link between gas and power prices. While DR may contribute to this, he also suggested additional measures might be needed.

Key Takeaways

- Demand response is a high-impact, lower-cost solution, to reduce prices, support RES integration, and secure grids. It reduces price volatility and system costs.
- Potentials may be higher than sometimes estimated in some existing policy documents.
- DR complements other flexibility solutions, such as storage.
- Deployment is limited in practice today by national regulatory barriers and/or missing implementation of EU frameworks.
- Urgent action is needed to scale it across Europe.