

Press release

smartEn report finds EU-wide untapped peak shaving potential to address electricity price hikes

Brussels, 20 September 2023: Amidst the 2022/2023 energy crisis, peak shaving measures were introduced across Europe to address electricity price hikes. Most of them were limited to communication activities or "hit and hope" schemes, very few were market-based with remunerations to flexible consumers contributing actively. This is the outcome of the latest Map realised by smartEn and presented to the European flexibility community gathered at their annual flagship two-days event FlexCon2023, hosting 45 sessions to deep dive on innovation in flexibility for an audience of more than 250 professionals.

Member States were requested to introduce peak shaving products during winter 2022/2023 as the result of a Regulation agreed during the energy crisis last year. A 5% reduction of electricity consumption in peak hours was the national obligation, aiming to reduce gas use for power by around 4% and reduce pressure on prices.

The smartEn Map aimed to investigate the solidity of <u>information submitted by 19 Member States to the European Commission</u> on national implementation measures to shave the peak leading to very questionable decrease in electricity consumption up to 15% compared to the reference period. According to smartEn analysis, only 8 Member States introduced market-based measures, and the Map investigates the design of the introduced schemes, their effectiveness, as well as the foreseen initiatives for the 2023/2024 winter and beyond.

Michael Villa, smartEn Executive Director, stated: "During the most critical moments of the energy crises, consumers reacted to high prices, the curve flattened, savings were achieved, but at the detriment of comfort, well-being and industrial production. This is not the active participation from consumers we should aim for. The flexibility of consumers should not be limited to emergency situations, but shall be a regular voluntary engagement, compensated and activated in a market-based way".

The outcome of the Map highlighted that Ireland and Austria's relative success could be attributed to a market based approach that is inclusive to all consumers.

Pierre Bivas, Founder of Voltalis said: "As our experience shows in several European countries, consumers from all kinds of buildings can contribute to demand response through an aggregator ensuring a hassle-free experience. This includes households, and will ensure a participation on a large scale, not only to reduce peaks during next winters, but also to balance the intermittencies of renewable generation, a critical aspect of the energy transition. To this end, a market-based approach is essential to combine reliability and effectiveness".





Olivier Baud, President and Founder of Energy Pool added: "Past winter crisis revealed (to the rare who remained skeptical) that consumers are flexible and that their flexibility may make the difference to ensure security of supply. Let's continue in that direction to foster clean, affordable, and reliable energy for all. Smarten's remarkable work also revealed that some countries are still lagging behind. It's also a European responsibility to make sure all countries give their flexible consumers a chance to get access to the market, notably via Demand Response aggregators".

The smartEn Map 2023 on peak demand reduction measures is <u>available for download</u> on the smartEn website.

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About smartEn - Smart Energy Europe

smartEn is the European business association integrating the consumer-driven solutions of the clean energy transition. We create opportunities for every company, building and car to support an increasingly renewable energy system. Our membership consists of the following companies:

