

To the kind attention of:
Mechthild Wörsdorfer, Deputy Director-General
Directorate-General for Energy, European Commission

CC:
Paula Pinho, Director, DG Energy
Catharina Sikow-Magny, Director, DG Energy
Sonya Twohig, Secretary General, ENTSO-E
Peter Vermaat, Secretary General, EU DSO Entity

Harmonising data interfaces for System Operators to unlock demand-side flexibility in the Implementing Regulation on interoperability and access to data for demand response

4 July 2024

Dear Mechthild,

The Joint Working Group ENTSO-E/EU DSO (JWG) is currently drafting rules on access to data and interoperability for demand response, which will be fundamental to fully unlock demand-side flexibility across Europe in a cost-effective manner.

smartEn has been actively contributing to this workstream by participating in the meetings of the Stakeholder Panel 2 of the Joint Working Group.

We are however concerned that the scope of the Implementing Regulation:

- is very limited and does not address the diversity of IT interfaces and data formats used in balancing, wholesale and congestion markets across Europe, as this is a key barrier slowing down the deployment of demand side flexibility;
- does not include the required harmonisation of data exchange by means of preferred (data exchange) standards. During the drafting of the Network Code on Demand Response, stakeholders agreed that harmonisation was key to enable market participation by Distributed Energy Resources at scale. This was however not addressed in the Network Code, as it was considered that it was more fit for the Implementing Regulation.

The result is that, currently, flexibility service providers who wish to access balancing, wholesale and congestion markets in different European countries must communicate with each system operator using different formats, as interfaces are not harmonised across Europe.

Compliance with different formats is quite burdensome for flexibility service providers, creating a major barrier to market access across Europe. Even when they can access these markets, the compliance costs reduce the financial benefits they can pass on to their customers.

To unlock demand-side flexibility in a cost-effective manner, we call for the Implementing Regulation on interoperability and data access for demand response to expand its scope to lead to harmonisation across Europe.



This will provide essential complementarity to the Network Code for Demand Response currently under development, addressing those points that were left open during the drafting of the code, completing the set of rules needed to ensure the scalability of Demand Response across Member States.

In addition, we realise that the current governance structure, where the drafting team only comprises representatives from DSOs and TSOs, does not allow other interested parties to effectively contribute to the drafting process. As the new rules are intended to address barriers that are holding back demand response, it is imperative to thoroughly consider the concerns of flexibility service providers, who are the primary actors in delivering demand response and will be most affected by and benefit from these regulatory changes.

While the JWG has shown openness to enhance stakeholder involvement by circulating working drafts ahead of each meeting of the Stakeholder Panel, a more structured and enhanced stakeholder engagement is needed. Key stakeholders, such as flexibility service providers, should be part of the drafting team as this would further streamline the process and enable them to provide useful feedback. This has proven to be an effective solution during the drafting process of the Network Code on Demand Response, as highlighted [in a recent joint statement](#) issued by participants in the drafting team of the network code.

For this reason, we call on the JWG to formally involve relevant stakeholders in the drafting team the drafting team of the Implementing Regulation on Access to Data and Interoperability for Demand Response.

We thank you in advance for your consideration.

Kind regards,



Michael Villa
Executive Director
smartEn – Smart Energy Europe



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