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Consumers have the right to make the best use of their demand flexibility

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Demand response can bring a major contribution to meeting the challenge of the power system's transition in line with European energy policy, to the benefit of all consumers. The European Federation of Energy Traders (EFET), EURELECTRIC and Europex fully support the objective that demand response, including aggregation, should compete on a level playing field with generation and storage. We applaud the proposals of the Clean Energy Package on the use of market-based mechanisms and the efficiency of price signals. The Package also rightfully enables demand response providers, including aggregators, to participate in all segments of the electricity market.

However, one of the main purposes of the Clean Energy Package should be a greater participation of demand as a whole in the market rather than identifying specific categories of actors to fulfil that goal. **In a [joint statement](#) published today, EFET, EURELECTRIC and Europex call on all types of demand response to comply with common market rules and compete on a level playing field with other market participants.** Consumers have the right to obtain value from the flexibility they bring to the system, but this does not mean that specific business models should be given privileges.

However, the provisions in the draft Clean Energy Package on demand response leave room for legal and regulatory uncertainty. Particularly worrying are the exemptions for aggregators from paying suppliers or generators for energy sourced or produced and then diverted by aggregators for valuation in the system, as well as the exemption from well-established market principles regarding imbalance settlement. These privileges granted to demand response aggregation are not in line with the fundamental market design principles and the draft Internal Market Regulation, as they promote one specific business – explicit demand response through aggregation – over others. We believe that if the principles of balancing responsibility and payment of sourcing costs remain overlooked, the whole market design could be negatively affected, ultimately increasing costs for consumers. European consumers should be able to choose how they can make the best use of their demand flexibility, both for their own benefit and for that of the system. **We call for a pragmatic approach that will allow for fair competition and avoid unjustified market entry barriers.**

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