# *Session II*
# Demand Response and Smart Meters

*Chaired by*

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## Changing customer needs and technology have been driving innovation in retail services


Innovative pricing offers and demand response



Smart metering (mostly DSO)


Source: CEER Database, National Indicators (2015)

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2

## Demand response: market-based dynamic pricing and level playing field for demand response aggregation

**Commission's proposal**

✓ **Customers' right to a dynamic pricing & smart meters**

✗ **Suppliers' obligation to offer such a contract**

- This obligation **contradicts the free market approach**
- It is detrimental to competition and innovation: it could create entry barriers for small suppliers.

✗ **New smart metering functionalities**

- Countries are at different stages of roll-out and **retroactive requirements should be avoided.**
- Functionalities which are not sensible and cost-efficient should not be required (e.g. 15 minutes for households)

✗ **Exemptions for demand response aggregation**

- We **welcome a framework for DR aggregation**
- **Balance responsibility** is at the core of market design.
- **The energy** that is not consumed by the end-customer but diverted by the third-party aggregator is still sourced by the supplier of the activated customer: it **should be paid for**

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3