RENEWABLE ENERGY DIRECTIVE

E.DSO | FIT FOR 55 | POSITION PAPER

DECEMBER 2021

Renewable and low-carbon energy is already playing an important role in reducing the carbon footprint of the European economy. Further integration of both renewable and low-carbon energy will be crucial to achieve EU's ambitious emission reduction targets. For this to happen it will be of utmost importance to focus on the enabling tools and concrete pathways to deliver on the objectives, while also removing the remaining barriers to the deployment of Renewable Energy Sources (RES).

We believe that renewable energy will play a key role in delivering the higher greenhouse gas emission reduction target for 2030 and carbon neutrality by 2050. Therefore, E.DSO supports the raise of the 2030 RES target to 40% and the indicative target for penetration of renewable energy in the final energy consumption of the building sector. This approach highlights the importance of electrification for the EU's climate goals.

Our Concerns

We appreciate the recognition of electricity DSOs and their importance for the integration of renewable sources. Nevertheless, without a proper regulatory framework enabling the necessary investment in distribution networks, which could make possible the connection and secure operation of the new renewable plants, an efficient decarbonization will not be feasible.

While this position should be integral to the whole FF55 Package, **the recast of the RED is especially well suited to include an obligation for Member States to facilitate new renewable capacity by encouraging investment connections and reinforcements in the grid infrastructure.**

Thanks to the digitalisation of network and the uptake of smart grids and smart meters, DSOs have many digital tools at their disposal to collect relevant energy data. **As neutral actors, DSOs are best placed to collect data and share them with all relevant stakeholders to achieve the twin digital and energy transition.**

We recognise that the mission given to DSOs in **Article 1 (10) (1) (inserting new Article 20a (1))** to make available information on the share of renewable electricity and GHG emissions in the electricity mix is a manifestation of this. Nevertheless, the disclosure of such data for each bidding zone, is an expensive requirement for network operators.

We believe that the way to collect this data should be decided on a Member State level. In any case, DSOs are ready to contribute with relevant information currently at their disposal since the RES percentage is difficult to disclose when the generation is not directly connected to the DSO grid.

Our Recommendations

Permitting procedures

The provision of **Article 1 (2) (c)** on permitting procedures should be monitored so that the connection of new RES is not detrimental to the security and stability of the network. While we agree that it is Member States prerogative to implement quickly and thoroughly the provisions on permitting of RED II, this can be one of the biggest challenges for RES deployment at the requested speed.

Revisions

Article 1 (5) (d) on reopening the existing framework set up on Articles 15, 16, 17 one year after the adoption of the revised Directive must be removed. They create legal instability to long term projects by introducing too frequent revisions. Additionally, shortening existing procedures would be detrimental to the technical and security assessments of the network.

Data disclosure

The mandatory requirement to make data available in near to real time as enshrined **Article 1 (10) (1) (inserts Article 20a)**, should be adapted into a requirement for Member States. GHG and RES data could be made available on a voluntary basis, with the lowest frequency possible based on existing infrastructures of network operators. The mandatory requirement to make data available in near to real time should be adapted into a requirement for Member States.

Smart charging

Article 1 (10) (3)'s (inserts Article 20a) introduces requirements for non-publicly accessible power recharging points to support smart charging functionalities and, where judged appropriate by the NRA, bidirectional charging.

- On the one hand, this provision is crucial in terms of information for national and local planning processes. It must be known as early and as exactly as possible where charging installations will be located. The charging infrastructure must be technically ready for smart charging, but whether smart charging is really done is the result of market processes as this is flexibility.

- On the other hand, the requirement might imply extra costs for domestic consumers and prevent them from installing EV chargers. For this reason, it should be possible for Member States to set a threshold in KW. Non-publicly accessible power recharging points below the Member States threshold should be exempted from the obligation to support smart charging functionalities. To encourage flexibility services and communication between the grid and EV chargers, the indication of smart meters should be added to the definition of "smart charging".

Principle of non-discrimination

Article 1 (10) (4) regarding non-discrimination contributes to unlocking flexibility and opens a real possibility to apply V2G. However, this is only feasible in a fully digitalised energy system for which smart meters, when deployed by Member States, are an efficient tool.

Flexibility services

Article 1 (13) (e) should not introduce additional specific requirements and administrative burdens for DSOs since they already ensure a fair participation of third parties in providing flexibility services. Flexibility services benefit the distribution network. When defining specifications for procuring flexibility services DSOs already ensure a non-discriminatory participation of all market participants, including district heating and cooling. For this reason, the evaluation of the needs for flexibility services should remain under DSO management as set up in the Electricity Directive and should not be subject to additional specific evaluations.

Recharging points for EV

Regarding the *Impact Assessment*, Part 1/2, 6.1.17, DSOs, while being neutral market facilitators, are also allowed to own, develop, manage, or operate recharging points for electric vehicles subject to certain conditions and Member States decision (Article 33 (3) of Directive 2019/944/EU).

E.DSO is a European association gathering leading electricity distribution system operators (DSOs) shaping smart grids for your future.

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