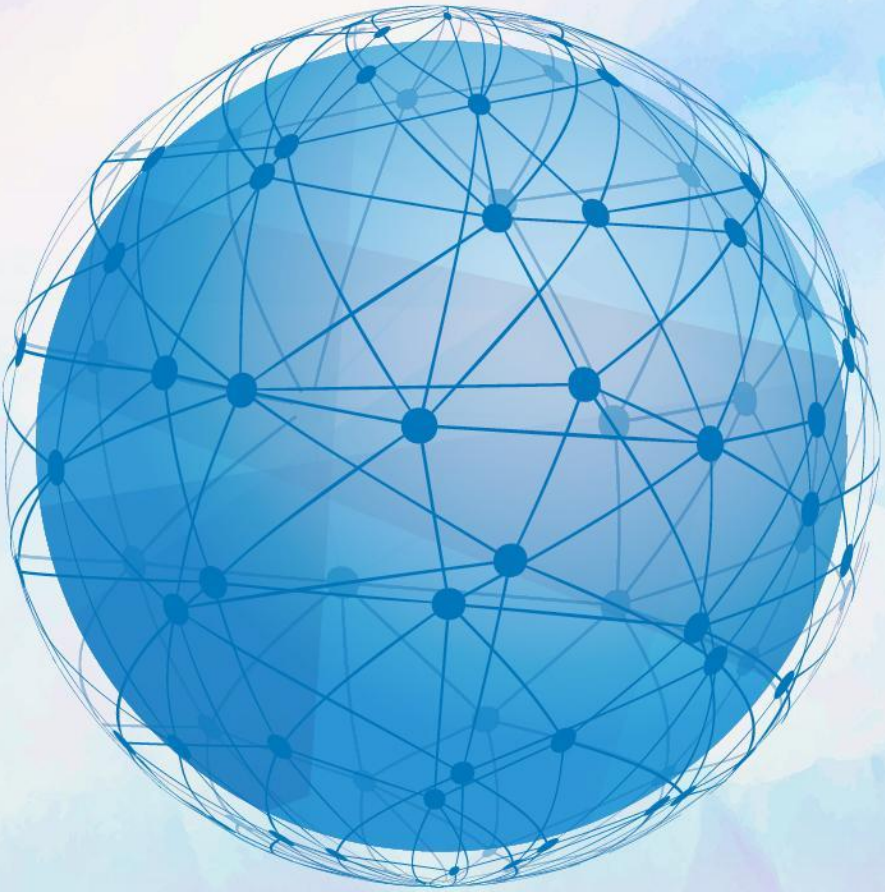

REGULATORY IMPLICATIONS OF THE DIGITALIZATION OF ENERGY MARKETS AND THE NEW ROLE OF CONSUMERS

MEDREG TRAINING

ONLINE MEETING

MEDREG

Co-funded by the European Union

CONCEPT

When energy actors discuss the move towards a low-carbon economy, digitalization is a word much used. The Northern Mediterranean countries are already experiencing a competitive and mature market structures, while Southern Mediterranean countries are progressively opening their markets, oftentimes through technologically-advanced moves that allow them to cut a few steps of the process.

In both cases, consumer expectations with respect to what the energy market can do for them are growing. This is leading utilities and regulators alike to embrace and support new digitally-enabled business models, where consumer is at the core of the market. This shift brings with it several interesting developments. On one side, data exchange is growing and becoming more complex, thus requiring stronger central market facilitation tools. On the other side, the increased need to use data to manage energy markets entails that an effective market infrastructure is even more necessary to enable efficient operations by market participants.

This training has the scope to introduce MEDREG members to the challenges that digitalization is going to bring to the drafting of regulations for this new technological era. The training will work around four main aspects: flexibility, open data platforms, usage of these data and cybersecurity, and the growing role of consumers.

Under flexibility, we will discuss how the development of local trading platforms or alternative models of procurement serve to purchase flexibility, which can play a significant role in balancing the network and system. In particular, we will explore the opportunities for distributors to use market-based procurement for flexibility services, considering when a marketplace can be efficient and discussing how flexibility help network tariffs sending the right signals to network users. In this regard, we will deepen what regulators can do to encourage the usage of flexibility services when they are economically viable – particularly through their management of network tariffs, balancing and capacity allocation mechanisms.

Concerning open data platforms and privacy, we will discuss how operators and regulators should evaluate the quality of network data and data from distributed energy sources connected to the grid. We will see the importance of ensuring that relevant network data are easily available to present and perspective market participants, thus allowing the interoperability of data management. We will also look at how regulators can ensure that data are used to improve the efficiency of distributors' investments, operations and planning.

As for data usage and cybersecurity, which are indeed aspects that go far beyond the energy market, we will clarify the importance of fully assessing the risks related to data control and usage, especially when it involves an extensive number of consumers. As energy markets become more complex and reliant on IT, we will see why it is key that data are not managed by a single, all-powerful entity but rather that information exchange and knowledge sharing an open, transparent and non-discriminatory market and to support utilities in solving their problems effectively. We will also ponder the positive spillover that this has on consumers' choices, since open data remove several costs related to their management, decreasing barriers to competition and stimulating innovation and development of new services.

Consumers and their increasingly important role will be the aspect of our fourth module. Security and quality of supply are important for consumers, even in the wake of a digital era. In order to pair them with the benefit of digitalization, we will analyze whether digitalization can propose viable business models that reduce costs and increase the transparency of energy consumption and the consumers' awareness of their environmental footprint. We will discuss key aspects that can open up to consumer the benefits of digital

services, namely smart meter roll-out and cost-reflective and market-based, transparent price signals. Finally, we will also see how digitalization can make regulation more friendly and understandable to consumers.

agenda

WEDNESDAY, 27 OCTOBER 2021 – 9.00 | 16.15 (CET)

09:00-09:30	**INTRODUCTORY REMARKS** **Mr. Stefano Besseghini** *MEDREG Permanent Vice-President and President of the Italian Regulatory Authority for Energy, Networks and Environment (ARERA)*
09:30-09:35	**PRESENTATION OF TRAINING TO PARTICIPANTS** **Moderator: Mr. Igor Telebak** *MEDREG CUS WG Chair and Economic Analyst at the Energy Regulatory Agency of Montenegro (REGAGEN)*
09:35-10:20	**1. DIGITAL NETWORKS** *(30' + 15' discussion)* **Sparkle (name TBC)**
10:20-11:05	**2. SMART METERS AND FLEXIBILITY OF SERVICES IN DIGITALIZED MARKETS: IMPACT ON REGULATED TARIFFS AND NETWORK OPERATIONS** *(30' + 15' discussion)* **Ms. Arina Anisie** *Associate Programme Officer at the Renewable Energy Innovation at International Renewable Energy Agency (IRENA)*
11:05-11:30	**BREAK**

11:30-12:30	**3. THE IMPACT OF DIGITALIZATION ON NETWORK CODES: A DSO PERSPECTIVE** *(45' + 15' discussion)* **Mr. Özge Özden** *Secretary General at Elektrik Dağıtım Hizmetleri Derneği (ELDER)*
12:30-13:15	**4. DIGITALIZATION OF ENERGY MARKETS: CHALLENGES AND OPPORTUNITIES** *(30' + 15' discussion)* **Mr. Igor Telebak** *MEDREG CUS WG Chair and Economic Analyst at the Energy Regulatory Agency of Montenegro (REGAGEN)*
13:15-14:00	**LUNCH BREAK**
14:00-14:45	**5. CYBERSECURITY IN ENERGY MARKETS: CHALLENGES AND OPPORTUNITIES** *(30' + 15' discussion)* **Mr. Roman Picard** *Analyst at the French Energy Regulatory Authority (CRE)*
14:45-15:30	**6. NEW TECHNOLOGY AND CYBERSECURITY: HOW OPERATORS SHOULD BE EQUIPPED TO IMPROVE THEIR EFFICIENCY AND INTEROPERABILITY** *(30' + 15' discussion)* **Ms. Giovanna Dondossola** *ICT and Cybersecurity Leading Scientist at Ricerca Sistema Energetico (Research on Energy System-RSE)*
15:30-16:15	**7. EXCHANGE OF DATA AMONG OPERATORS (TSOs AND DSOs): THE MONITORING ROLE OF REGULATORS** *(30' + 15' discussion)* **Mr. Manuel Sánchez** *Former Team Leader for Smart Grids at European Commission - Directorate General for Energy (ENER)*

agenda

THURSDAY, 28 OCTOBER 2021 – 9.00 | 14.00 (CET)

09:45-10:30	**8. THE CYBERSECURITY ACT AND CYBERSECURITY CERTIFICATION FOR THE ENERGY SECTOR** *(30' + 15' discussion)* **Ms. Renate Verheijen** *European Union Legal Officer Cybersecurity Certification Framework at European Union Agency for Cybersecurity (ENISA)*
10:30-11:00	**BREAK**
11:00-11:45	**9. THE ROLE OF CONSUMERS/PROSUMERS AND THE EVOLUTION OF QUALITY OF SERVICE: A NEW BUSINESS MODEL** *(30' + 15' discussion)* **Mr. Juan Ortiz Noval** *Head of Network Development* *E-Distribuzione (Enel)*
11:45-12:30	**10. WHAT IS THE ROLE FOR ENERGY REGULATORS IN CYBERSECURITY: APPROACHES AND CRITICAL POINTS** *(30' + 15' discussion)* **Ms. Elena Ragazzi** *Research Director at Consiglio Nazionale delle Ricerche - Research Institute on Sustainable Economic Growth CNR-Ircres*
12:30-13:00	**CONCLUSIONS AND TRAINING EVALUATION** **Mr. Elton B. Radheshi** *Secretary General of the Albanian Energy Regulator (ERE)* **Moderator: Mr. Igor Telebak** *MEDREG CUS WG Chair and Economic Analyst at the Energy Regulatory Agency of Montenegro (REGAGEN)*