

Finnish Energy key messages on the Electricity Market Directive

Finnish Energy welcomes the Commission proposal for the directive on common rules for the internal market in electricity (recast). We are committed to reaching the long-term vision of a well-functioning, integrated and flexible electricity market. Today the Finnish market is already functioning in many aspects according to what is aimed at by the proposal – e.g. smart metering, demand participation, new products for customers. Our experience has proved that this is possible, but at the same time you have to pay attention to many details in order to achieve a sustainably well-functioning market. We would like to underline some strengths of the proposal and propose some areas of improvement.

1. It is really important for the future electricity system to improve flexibility in generation, consumption, storage, inter-connections etc. We strongly support the Commission's vision for linking wholesale and retail markets better and other main lines of Commission proposals.
2. Some details should be corrected in order to create long-term, fair and sustainable solutions. We should not introduce such arrangements that e.g. will have to be changed in a rather near future. Rules should be balanced, neutral and equitable from the beginning.
 - E.g. rules on independent aggregators (art. 17) would need revision sooner or later, if aggregators not involved in balance responsibility would significantly affect other participants' obligations. Instead of creating shortcuts for some participants, market entry should be made easier. In some countries requirements for suppliers should be relaxed, minimum bid sizes in TSO market should be decreased, etc. Alternatively, we suggest that action without balancing responsibility should be limited to those short-term TSO-markets, where actions of independent aggregator don't cause a balance error to customer's supplier.
3. So called smart meters are essential for the future market, enabling correct incentives for actors: supporting system balance can be remunerated in the market. On the other hand, smart metering investments are costly. Hence, meters and metering data systems should be used their expected lifetime (e.g. 15 years for meters).
 - Suggested (art. 2(20), 19, annex II) 'near-real time' consumption visualisation may be done at relatively low cost if introduced at the same time when a new generation of meters will be installed. In our case around 2025.
 - Similar worries are related to common data format (art. 24).

The commission proposal is being processed by the Parliament with ITRE Committee and Krišjānis Kariņš (LV, EPP) leading the work. The council has plans to concentrate on electricity market model during the Estonian presidency. Finnish Energy would very much like to provide more detailed argumentation on the points mentioned above as well as concrete proposals. We look forward to interacting with You during the process to ensure a balanced outcome. Please let us know if we can be of any assistance.

For additional information, please contact:

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