

To the kind attention of **Nicolás González Casares MEP** and **Ebba Busch** Swedish Minister for Energy
*Cc: Permanent Representations of EU 27 Member States
ITRE Members of the European Parliament
DG ENER of the European Commission*

Brussels, 11 May 2023

Dear Minister Busch,
Dear Mr González Casares,

Energy sharing: a new right to protect and empower consumers

On behalf of a group of European stakeholders, we would like to highlight the relevance and suggest improvements on the dedicated energy sharing framework proposed by the European Commission in the revision of the Electricity Market Design.

This new right will stimulate the move towards a consumer-centric, decentralised energy system that empowers consumers and prosumers, while protecting them from excessive price spikes thanks to renewable energy shared at a lower price. Energy sharing should also contribute to mitigate local congestions, incentivize an efficient use of existing public network and reduce grid reinforcement needs.

Some Member States have already developed similar schemes and, based on best practices, we recommend the following improvements to art. 15a of the Electricity Directive:

- **Refine the scope of application.** Beyond households and SMEs, large companies should be allowed to participate as active customers. This shall not be detrimental to the use of energy sharing as a scheme targeting vulnerable households and alleviating energy poverty.
- **Ensure cost-reflective network tariffs are applicable.** National regulatory authorities should define or approve cost-reflective network charges for energy sharing, which reflect the costs of the utilised public grid infrastructure.
- **Stimulate flexible demand to mitigate local congestions.** The current proposal does not encourage flexible consumption of renewable electricity shared at local level. Energy sharing should aim at an optimisation at local level of all decentralised energy resources to mitigate congestions caused by non-flexible uses of electricity, support the cost-effective electrification of the energy system, without causing imbalances.
- **Do not limit the use of decentralised energy resources to energy sharing schemes** and allow them to participate to any market to stack value, individually and/or aggregated through the support of market parties.

While overarching principles should be set at EU level, the European Commission should support national transposition via an Implementing Act to provide guidance on the technical setup of energy sharing, such as on sharing coefficients, agreements between active customers, market players and grid operators, and the required data exchange using both smart meters and dedicated metering devices.

We are at your disposal for any question you may have.