

THE FLEXIBLE DEMAND ACCELERATOR PLEDGE



The EU energy system is undergoing a major transition to increase its resilience and decarbonisation, while improving the energy affordability for citizens and the competitiveness of industries. All cost effective and non-fossil flexibility resources must be deployed to support the achievement of these goals, including the activation of the flexible demand potential from all energy demand sectors – which must be accelerated.

Buildings, enterprises, industries and vehicles need to be able to adjust their energy patterns in a flexible, time-dependent way in reaction to signals received from energy markets. This should become a fundamental feature of an increasingly digitalised and clean electricity system, which is expected to double its system flexibility needs by 2030¹.

Activating flexible demand facilitates:

- shifting and shaving energy demand and supply when electricity prices are high and taking advantage of low or negative prices,
- integrating renewable energy in a more cost-effective way for end-users, reducing costly generation curtailments,
- offsetting the need to invest in fossil peaking generation plants,
- mitigating local congestions and supporting system balancing, thus increasing the efficiency of networks,
- reducing wholesale electricity prices for all.

The evolution from passive to active consumers and prosumers that activate their flexibility requires efforts, incentives, enabling frameworks and solid business models, notably in light of the 32% electrification KPI in the EU27 by 2030, as set by the European Commission².

The EU legislative framework developed throughout recent years is fit for this purpose: 70 EU legislative provisions to enable and foster demand-side flexibility are already prescribed in the Electricity Market Design, the Energy Efficiency and Renewable Energy Directives, the Energy Performance of Buildings Directive and the Alternative Fuels Infrastructure Regulation. The Network Code on Demand Response currently under development will further contribute to achieving this objective.

Major efforts are however required to accelerate the correct, harmonised and timely implementation of this comprehensive set of EU rules addressing demand-side flexibility, as most of the hindering barriers are persisting, as highlighted by ACER³.

We, undersigned parties, urge the establishment in each Member State of a collaborative approach involving:

- competent Ministries and National Regulatory Authorities,
- Transmission and Distribution System Operators and
- market participants.

The establishment of “National Tripartite Dialogues on Flexible Demand” involving the above mentioned actors shall be encouraged as part of an EU Flexibility Charter prescribed in the forthcoming Electrification Action Plan to ensure a smart electrification of demand-side sectors and to allow regular transparent interactions among all relevant parties for the rapid implementation of the existing EU legislative framework in order to:

1. Enable the market-based procurement by both Transmission and Distribution System Operators of the flexibility provided from all Decentralised Energy Resources (DERs) in buildings, enterprises, industries and vehicles for an efficient operation of their regulated activities;
2. Enable the eligibility of all DERs in buildings, enterprises, industries and vehicles to all electricity markets and mechanisms, in line with the principle of technology neutrality;
3. Enable consumers to access price signals, both in retail electricity offers and cost-reflective network charges;
4. Overcome the barriers to the development of innovative services, such as those provided by aggregators, suppliers and market participants supporting the setup, financing and operation of local energy initiatives, ranging from renewable energy communities to energy sharing schemes;
5. Support interoperable access and exchange of essential energy data in coordination with all relevant stakeholders through a common European data space;
6. Ensure the adequate consideration of demand-side flexibility in network development plans of System Operators and in national system flexibility needs assessments;
7. Set indicative national objectives for non-fossil flexibility, including the contribution of decentralised energy storage facilities and demand response,, in the National Energy and Climate Plans to support in a cost-effective way the increasing system flexibility needs.

We, the undersigned parties, urge the European Commission, with the contribution from ACER and relevant stakeholders, to share best practices among Member States, to monitor and support National Tripartite Dialogues on Flexible Demand to accelerate the delivery of the above-mentioned objectives in a harmonised way across Europe and to support an efficient electrification.

In line with its efforts to ensure the correct transposition of EU legislation throughout Member States, we recommend the European Commission, at least once per year and as part of the implementation of the EU Flexibility Charter, to share its assessment and report to the Energy Council on the implementation of all EU legislative provisions on flexible demand in order to monitor and accelerate the activation of its potential in parallel with an increase of the electrification rate in the EU energy system.

¹ ACER/EEA Report, “Flexibility solutions to support a decarbonised and secure EU electricity system”, September 2023

² European Commission, “Communication on the Clean Industrial Deal”, 26 February 2025

³ ACER, “Demand response and other distributed energy resources: what barriers are holding them back?”, 2023 Market Monitoring Report, 19 December 2023