

## Prosumers should be integrated to the market and power system, new EURELECTRIC paper says

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European utilities are becoming increasingly service-oriented and many companies already provide an array of services ranging from installation and maintenance of generation equipment, smart home applications, electrification, to storage and buying excess electricity. EURELECTRIC has published a **new Paper** entitled 'Prosumers – an integral part of the power system and the market'. The Paper outlines the principles underlying an appropriate regulatory framework to ensure the cost-effective deployment of distributed generation and the adequate development of services that suit the needs of prosumers.

A stable regulatory framework that stimulates innovation provides an attractive business environment for companies to develop innovative, customer-friendly solutions, technologies and services for prosumers. Market-based business is allowed to grow when prices are not regulated and when there is no obligation for any party to buy the electricity which is generated by prosumers. Prosumers are able to react to market signals and optimise their consumption when the excess electricity they have generated is priced based on wholesale power prices. Adequate metering data provided by smart meters is a key enabler in this respect.

Europe has moved beyond the early deployment stage for distributed generation. The regulatory framework should therefore be adapted to ensure the cost-effective development of distributed generation and grids, as well as a fair allocation of costs and benefits. Opting for distributed generation should become a customer choice that does not result from, artificial incentives. Prosumers should be integrated into the market and the power system and they should contribute to the network cost recovery in the same way as other customers. The use of the electricity bill to collect (non-energy related) taxes and levies should be avoided, as this hampers the sound development of the electricity market for both consumers and prosumers.

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