



SMALL IS BEAUTIFUL

JOINT LETTER AHEAD OF THE MARKET DESIGN TRIALOGUES

Preserving the benefits for European citizens, communities and SME's

In November 2016, the European Union made a clear commitment to achieve global leadership in renewable energies and put energy efficiency first. To deliver this ambition, the legislative framework must encourage both the large-scale rapid deployment of renewable energy and energy efficiency measures, and the uptake of small-scale, local citizen and community owned distributed renewable energy and highly efficient cogeneration installations.

The European Council's General orientations on the Electricity Market regulation adopted in December 2017, introduce the possibility to place an unfair financial and administrative burden on small-scale renewable and high efficiency cogeneration installations, demonstration projects, and energy communities. Allowing Member States to remove priority dispatch and exemptions on balancing responsibilities without any pre-condition related to market-readiness will put small-scale players at an extreme disadvantage and undermine the necessary uptake of such installations in Europe.

Small-scale renewable and high efficiency cogeneration installations will support Europe's industrial leadership in clean energy technologies and bring important benefits at all levels of society. These installations will be the backbone of a smart, decarbonized and increasingly distributed energy system, empowering energy consumers, communities and territories (e.g. households, hospitals, public buildings, hotels) with clean and sustainable energy supply.

Small-scale renewable and high efficiency cogeneration installations will support the competitiveness of European micro, small and medium-sized enterprises active in the manufacturing, installation, maintenance and operation of small scale installations. These sectors are important creators of local, sustainable and skilled jobs that will make the green economy a local reality.

Finally, demonstration projects are key to consolidate Europe's industrial and technological leadership in renewable and efficient energy solutions.

Ahead of the triologue negotiations on the Electricity Market Design regulation, the signatories of this letter therefore urge the co-legislators to re-open the debate on Art 4 regarding priority dispatch and Art 11 concerning balancing responsibilities. The future regulatory framework should not disincentive local, small players or developers of innovative renewables and high efficiency technologies for their potential to enable the energy transition, by scrapping their economic benefits or imposing overly burdensome processes and obligations.

About The Small is Beautiful campaign:

Small is Beautiful is a campaign to support small-scale renewable installations and cogeneration facilities in the EU. The aim of the campaign is to safeguard regulatory incentives such as priority dispatch, and balancing responsibilities exemptions for small-scale renewable installations and demonstration projects, currently under debate in the Clean Energy Package negotiations.

This campaign is led by 17 trade associations including **SolarPower Europe, AEBIOM, AIE, COGEN EUROPE, EBA** (European Biogas Association), **EGEC Geothermal, Energy Cities, EPHA** (European Heat Pump Association), **EREF** (European Renewable Energies Federation), **EUREC, Euroheat & Power, OceanEnergy Europe, REScoop.EU, SolarHeat Europe, Wind Europe**, the **International Union of property owners (UIPI)** and the **European Builders Confederation (EBC)**.