



GEODE Press Release – EC Communication on Internal Energy Market

“Progress towards completing the Internal Energy Market”

GEODE – representing the voice of local energy distributors across Europe – welcomes the European Commission Communication on the Internal Energy Market. **GEODE** acknowledges the significant progress made towards the completion of the internal energy market but agrees that still more needs to be done in order to achieve a fully functioning and integrated energy market.

Reinhard Brehmer, Chairman of GEODE said “The Commission is right to identify a key role for the distribution networks in contributing to the integration of the internal energy market. However, the DSOs need sufficient incentives, through tariff regulation, to invest in innovation and to develop new and competitive services. ‘Smarter’ regulation which incentivises ‘smarter networks’ is required. This is an absolute priority for **GEODE**’s DSO members. **GEODE** is very willing to work with the Commission to develop a regulatory framework which incentivises innovation, but also continues to support the networks’ ability to meet their fundamental network operator obligations - ensuring system security and stability at all times.”

The distribution companies will play an increasingly central role as neutral market facilitators, managing local network constraints as well as enabling the development of flexibility markets for the benefit of consumers, and the system as a whole. The growing complexity of the market will require new arrangements between market actors, and particularly with new interactions between the TSOs and the DSOs. There will be a significant increase in data handling, and data protection and security will be essential - as underlined in the Communication.

GEODE hopes that the Commission’s Retail Energy Market Communication, expected from the Commission in the next few months, will contain concrete proposals to further advance the deployment of smarter networks - a key component of a fully functioning market.

Brussels, 20 October 2014