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## **CECED input to the Consultation on ACER'S Framework Guidelines on Electricity Balancing**

Smart Grids are considered one of the key investment areas for a sustainable future: they are a tool for optimising energy production and usage by exploiting flexibility in the supply and demand of electricity.

On the demand side, household appliances count for about 30% of energy consumption in residential premises, therefore they are one of the best candidates to become “smart”, i.e. built to interact with Smart Grids.

CECED<sup>1</sup> represents the household appliance industry, a relevant partner in the development of Smart Grids in Europe. We believe that as more and more appliances become smart, a significant curtailment of consumption will be possible upon request at collective or individual level. It implies a contribution to grid balancing through implementation of Demand-Response programs. In short, if well managed, smart appliances can allow the consumer to play a significant role in controlling the demand side with minimum impact on his/her needs and habits in a properly designed smart grid.

CECED is convinced that demand-side resources will play a major role in the stability and performance of future European energy networks if relevant decisions are taken with respect to system requirements. Such decisions will have significant implications, at political, technical, and economic levels for consumers and the development of demand side resources' market in Europe. The rules for trading the provision of system balancing services, including power reserve rules, should allow for demand side response, while ensuring effective competition and benefit for customers.

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<sup>1</sup> CECED represents the household appliance industry in Europe.

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CECED considers the draft Electricity Balancing Network Code framework guidelines as the ideal context to discuss how Smart Appliances can contribute to grid stability. We especially appreciate that the code will, on the one hand, aim at achieving effective competition and efficient functioning of the balancing service market and, on the other hand, that it shall foresee that the terms and conditions for balancing markets allow for any load entities (whether through aggregators or not) to become Balancing Service Providers without introducing inefficiencies and distortions in national or cross-border adjacent markets. Such conditions should benefit customers while consistently putting a price or a reward on the service they provide, which would simultaneously accelerate the uptake of Smart products in the home and benefit the entire electricity grid.