

The role of DSM to provide flexibility in Electricity systems

Flexibility in the Pentalateral Energy Forum

October 13, 2016

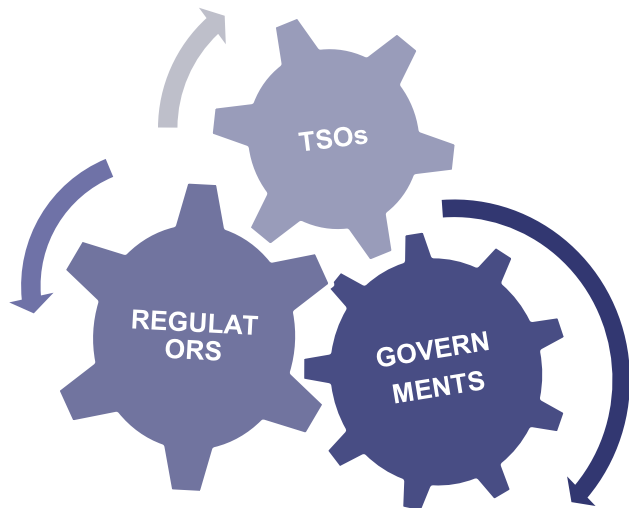
Renaissance Brussels Hotel

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Pentalateral Energy Forum



= Intergovernmental initiative between
BE-NE-LUX-FR-DE-AT-CH...

... whereby Ministers of Energy give
political backing to a process of
regional integration ...

... as an intermediate step towards EU
energy market ...

... close involvement of TSOs, NRAs,
PXs and market parties ...

... Benelux-secretariat to assure
continuity of the process.

... from Penta to EU market integration



2nd Political Declaration: 8 June 2015

- Celebrate 10 year -penta
- Improve market design
- Market integration of RES
- Achieve interaction between national CRMs
- New Generation Adequacy Assessment by 2017
- Mandate for work on flexibility (SGIII)

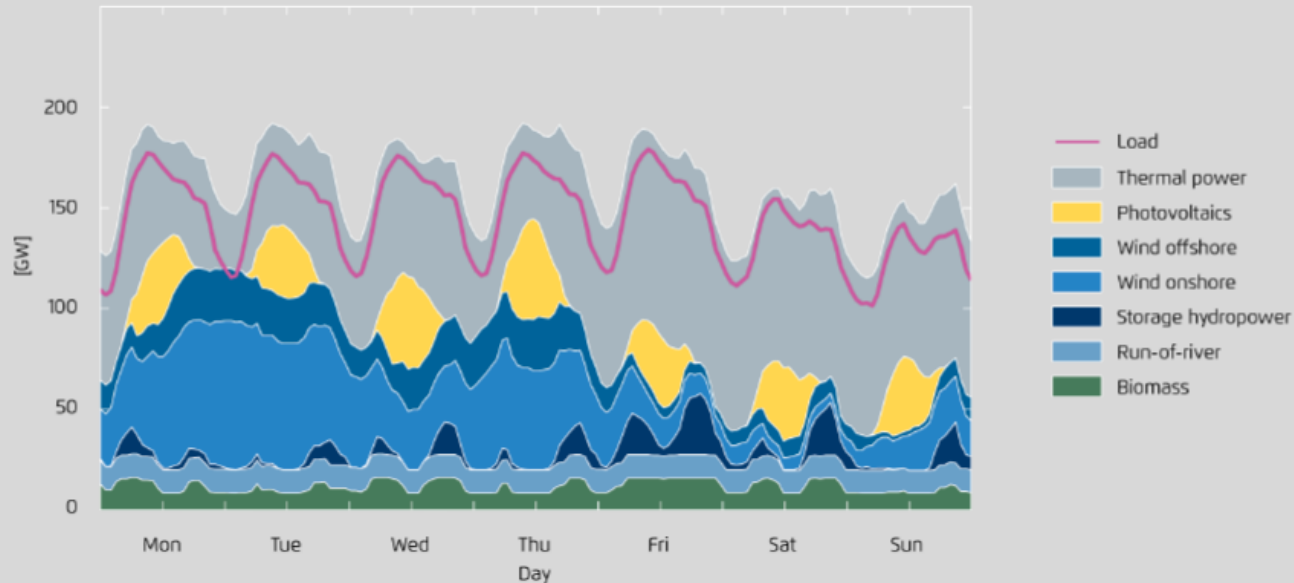


Penta work program (8 June Declaration)



A flexible power plant park is required. ~50% less baseload operation with 30% wind and PV in the system

Electricity production and consumption in CWE / Pentalateral Energy Forum* region, calendar week 32 - 2030



Fraunhofer IWES (2015)

*AT, BE, CH, DE, FR, LU, NL



SG III on Flexibility (1)

- Identify options to make our markets more flexible
- Increase efficiency of balancing arrangements
- Identify best practices in DSR + regulatory obstacles
- Ensure a level playing field for new players (e.g. aggregators)
- Increased regional TSO cooperation + assess role and responsibilities of DSOs

SG III on Flexibility (2)

Intense discussions with stakeholders (NRAs, TSOs, DSOs, market parties, power exchanges, large consumers, renewable producers, Smart Energy Demand Coalition, and “electricity neighbours”) on :

- Balancing,
- Intraday and,
- The role of DSR

as three major fields for regional cooperation to improve the flexibility of our electricity markets.

SG III on Flexibility (DSR Paper)

- points out critical issues for flexibility that arise on markets or networks.
- highlights the importance of scarcity price signals,
- the need for fair access for all players to the different markets and,
- the ability of consumers to valorise their flexibility.

Many barriers and obstacles to the development of DSR still persist.

SG III on Flexibility (DG conclusions June 2016)

- seek commitment for the Penta region to **remove the identified barriers** to the development of DSR,
- work on a **clear definition of roles and responsibilities** of different actors within the Penta region (including new players) and,
- commit to the alignment of product design and product requirements that enable DSR participation as well as storage options in the different market timeframes in the Penta region

Role for Penta

- ... to monitor timely and coordinated implementation of Penta roadmap for short term market integration
- ... to discuss the co-existence or the integration of the two different approaches to balancing markets (reactive vs pro-active)
- ... to exchange views on how to achieve an optimal interaction between balancing markets and intraday markets
- ... to seek commitment for the Penta region to remove the identified barriers to the development of DSR

Thank you for your attention !