

The role of DSM to provide flexibility in Electricity systems

***Flexibility in the Pentalateral Energy Forum***

October 13, 2016

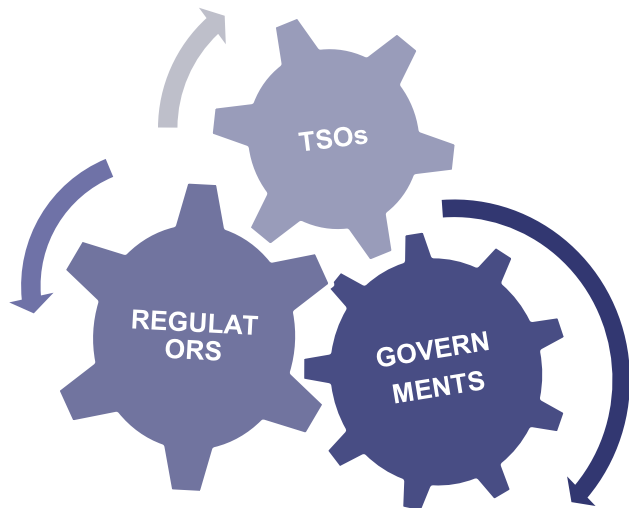
Renaissance Brussels Hotel

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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)

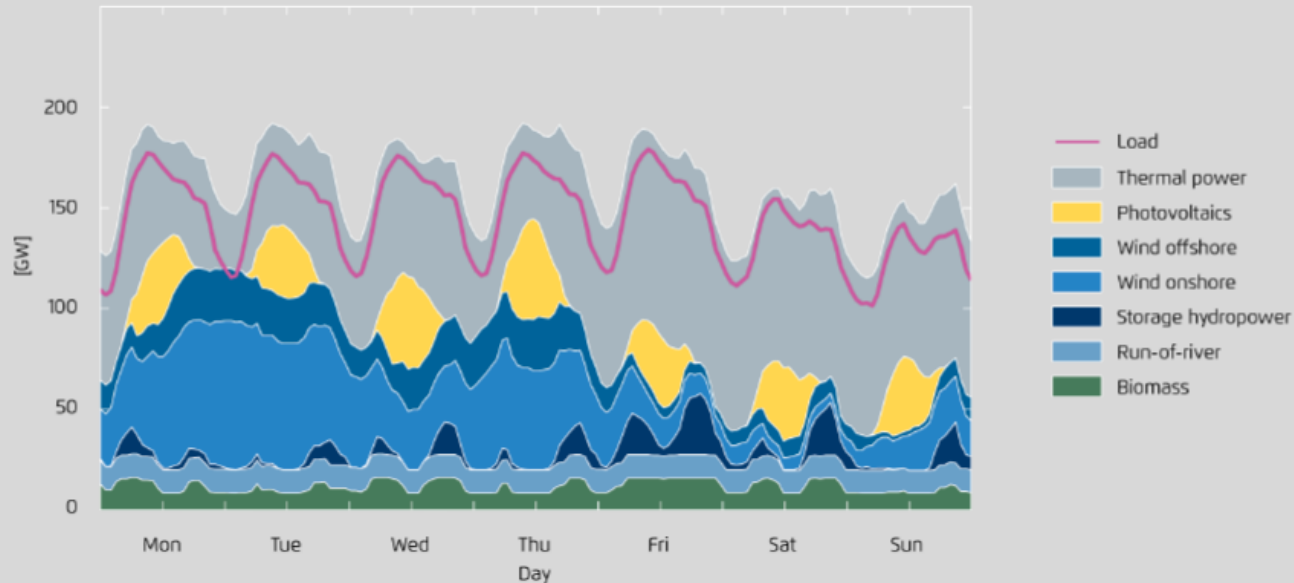


## Penta work program (8 June Declaration)



## 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 !